The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Seek "New Deal" With Britain in the Pacific

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The Far-Eastern Crisis—Some Comments on Henry L. Stimson's Book . . . . . By Chen Pin Ho

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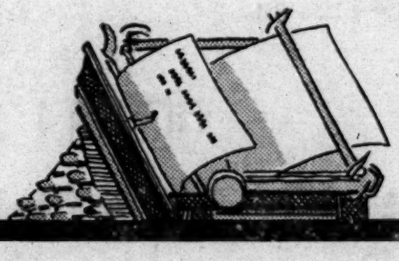

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PHILIPPINE WOMEN WIN RIGHT TO THE BALLOT

THE *United Press* was the only news service and the *North-China Daily News* the only newspaper here to report the important fact that Filipino women had won the right to vote. Final reports are not yet available but the message (May 1) stated that tabulations in thirty cities in eight provinces had registered 302,781 in favor to 30,872 opposed; hence it was a foregone conclusion that Filipino women, after two previous failures, had finally succeeded in gaining the right to the ballot.

Whether the element of woman suffrage will have any more effect in the Philippines than it has had in the United States remains to be seen, but there is significance in the development because it gives Filipino women a position of leadership among womenkind in Oriental countries. The granting of the ballot to males in Japan is a comparatively recent development and no one would be so reckless as to forecast a date when even the men of China will have an opportunity to express their views on national issues in the form of ballots. Therefore the winning of the right to vote by Filipino women is a startling development!

There is a further element in the winning of the right to vote by Filipino women which is not to be overlooked: that has to do with the service rendered by the Philippines as a Far Eastern political laboratory.

From the beginning of the American administration, nearly four decades ago, political developments have been far in advance of other countries of the Orient. In the original instructions of the President of the United States to the Civilian Commission which took over control from the American army of occupation, the creation of governments "popular in form" was recommended and put into effect. Remember, this was in 1900, the year of the China Boxer uprising, when the administrators of the Philippines were instructed by the President of the United States "to

devote their attention in the first instance to the establishment of municipal governments in which the natives of the Islands, both in the cities and in the rural communities, shall be afforded the opportunity to manage their own local affairs to the fullest extent of which they are capable, and subject to the least degree of supervision and control which a careful study of their capacities and observation of the workings of native control show to be consistent with the maintenance of law, order and loyalty. . . ."

Aside from the creation of local self-governing municipalities and provinces and the organization of the Philippine Assembly, another and possibly the most important development was the creation of a public school system which offered free education to all children, a startling development in oriental lands—which Japan later imitated—but while education in the lower grades in Japan is compulsory for all children, the system differs materially from the free public school system in the Philippines. In Japan the school system is militaristic; in the Philippines it is democratic. It was signficant that the strongest opposition to the militarization of the Philippines came from those responsible for the public school system.

Progress toward popular government and ultimate independence has been rapid and inevitable. We desire to make no foolish forecasts about the future, but the example of democracy in the Philippines has been an important element in political development in the Orient and at no time was this more important than at the present when European dictators are intriguing to extend their systems to this part of the world.

WOULD A WAR COST MORE THAN ORIENTAL DOPE TRAFFIC?

ELSEWHERE in this issue appears an article referring to recent arrests in narcotic smuggling cases in the United States, practically all those arrested being individuals concerned with dealings in opium or derivatives originating in the Far East. The arrests were made by the enforcement officers of the anti-narcotics division of the U. S. Treasury Department, which is headed by Henry Morgenthau, Jr.

It will be noted that the arrests were not confined to seamen on ships in American ports but included drug smugglers and pedlars operating in interior parts of the country.

Prison sentences ranging to forty and fifty years and fines amounting to many thousands of dollars should serve as a deterrent and they will have some effect, but so long as the products are available in Oriental ports and the profits are so tremendous for those who are able to evade the enforcement officers, it seems inevitable that adventurers will engage in the traffic.

It would be interesting to know how much money the U. S. Government spends annually tracking down dope smugglers and pedlars at its coast ports, within the country, and in foreign countries which serve as sources of production of narcotics which are transported surreptitiously to the United States. The sum must be enormous; hence the question in the heading to these paragraphs, whether a war would be more costly than the oriental dope traffic?

We ask this question because the subject of Japan's extensive participation in the production of habit-forming drugs has been carefully avoided by most American publications which concern themselves with developments in the Far East. The production and consumption of opium in China is an old story, discussed at international conferences long predating the establishment of the League of Nations. Opium has constituted an important element in China's foreign relations since the country's first contacts with occidental nations; hence there has been no tabu on public discussion, in pulpit or on lecture platform, or in the press, of China's participation in the traffic. There have been occasions in the past when China practically succeeded, by the use of drastic means, in eliminating opium production and consumption within the country. But her efforts have always broken down due to domestic political conditions, or because neighboring states, some of them colonial possessions of European powers, have continued production through official monopolies and have connived at smuggling of the products into China.

For some reason such journals as *Pacific Affairs*, organ of the Institute of Pacific Relations (Honolulu), and its younger brother *Amerasia* (New York), while devoted exclusively to Far Eastern topics, seem to avoid Japan's participation in the narcotics trade as one of the "imponderables" affecting American policy in the Far East. The Magazine *Asia*, which has published articles on opium production in China, has never, to our knowledge published any special articles on the opium monopolies maintained in Japan's colonies, Formosa and Korea, and the more recently created one in Manchukuo which is quite obviously being used by the Kwantung branch of the Imperial Japanese Army to finance its campaign of conquest on the continent and worse—as a means of demoralizing the Chinese and breaking down their resistence to alien aggression.

China's present desperate attempt to prevent the nation from being engulfed in the flood of Japanese-manufactured heroin and morphine by executing Chinese pedlars and incurable addicts has attracted widespread attention, but the futility of these methods is immediately apparent when it is realized that China is unable to interfere with Japanese (or Korean) pedlars, who, when arrested and handed over to the Japanese authorities are

either released or given mild sentences of 30 days in the consular jails. A few days ago there was a report of the execution before a firing squad of a Chinese woman in Hsuchowfu. Kiangsu province, who was charged with transporting heroin from Tientsin to Chengchow, Honan province. The woman had obtained her supplies of heroin from Japanese dealers in Tientsin. In Peiping the sight of mass-executions of Chinese dope dealers and addicts has become commonplace, but no mention is ever made of the sources of supplies which usually are in the Japanese concession at Tientsin or the Manchukuo opium monopoly.

Of all the ports on the coast of Asia which serve as centers for the dope traffic, Tientsin is the worst, according to a bulletin published by the Council of International Affairs, a semi-official organization at Nanking. The pamphlet was concerned entirely with conditions in the Japanese Concession at Tientsin and was based upon an investigation by an American, who made personal visits to practically every Japanese protected drug firm in the district and also in other centers nearby, such as Tangshan and other towns located within the so-called East Hopei Neutral Zone, which is protected by the Japanese Army.

In addition to the manufacture of vast quantities of undisguised narcotics, numerous brands of Japanese patent medicines are also produced in Tientsin, which contain preparations of morphine, codein, cocaine and opium, also compounds such as aspirin, quadronal and veronal are frequently adulterated. The medicines are widely advertised and sold. One brand which carried the trade name in large letters "Laudanum", was recommended for the ailments of children; it consisted of a compound of opium and whiskey.

The ten most popular types of narcotic drugs which are openly sold in the Japanese Concession in Tientsin are:

1. Heroin, smoked with cigarettes.
2. White Powder, also smoked with cigarettes.
3. Yellow Powder, similar to white powder but is for the use of smokers with a more advanced craving.
4. Sweet Pills, also called "Golden Pills" or "Red Pills", smoked with a pipe.
5. K'uai Shang K'uai, literally "Quick", smoked with a pipe.
6. Paper Rolls, rubbed between the palms of the hands.
7. Black Plaster, the dust of which is scraped off and smoked with cigarettes.
8. Opium.
9. Morphine.
10. Cocaine.

According to the revelations, the narcotic industry in Tientsin has grown to such proportions that the Japanese Concession in that city has practically became the heroin capital of the world. Scores of drug manufacturing plants have been established in the area by Japanese interests, many of which are connected with the opium and narcotic monopoly which the Japanese established in Manchuria following the occupation of that area in 1931. The Japanese also have taken over the large Chinese opium monopoly which previously existed in Jehol Province, and as a result of Japan's recent military incursions into Inner Mongolia the Japanese have also monopolized the traffic in so-called "Turkish" opium produced in Turkestan and transported to North China across the Gobi Desert by camel caravan.

Smuggling lines have been extended from Tientsin to all parts of the Occidental and Oriental worlds. Entire streets of the Japanese Concession have been given over to opium and narcotic plants, storehouses and smoking dens. There are fifteen large syndicates and some 200 pharmacies, shops and dens, a few of which make a slight pretense of engaging in other lines of business. Most of them carry a sign, familiar to the Chinese masses as "Yang Hongs", meaning "foreign firm", a standard trade mark of narcotic dealers.

In addition to the shops which make a business of narcotics there are scores of so-called singsong houses, brothels, hotels, tea houses and other places where the opium lamp is always burning for any guest who may desire to indulge in narcotics administered by an attractive female attendant. Many of these places are combination smuggling dens, gangster hangouts and brothels, where Japanese, Korean and Chinese girls prepare the opium pipe, load the heroin cigarette or fill the cocaine needle, and then lie down beside the customer.

The Tientsin police and sanitary squads remove large numbers of corpses of narcotic addicts from the street every cold winter morning. If these derelicts survive the night, they get an early start next morning to beg or steal a few coppers, and stand in lines before small shops where the lowest grades of narcotics and drugs are sold. Last spring when the ice jam began to thaw in the canal which separates the Japanese Concession from the Chinese area, hundreds of bodies were found floating in the river. Apparently the authorities had cut holes in the ice and used this method of disposal hoping the bodies would be washed out to sea when the spring thaw came.

Of the large syndicates two are of special significance from the standpoint of smuggling drugs to the United States. Both carry Chinese names, but are actually owned by Japanese. One is known as the "Chen Syndicate," and the other as the "Sung Syndicate." The Chen Syndicate operates the largest ring and is engaged primarily in the business of exporting dope to the United States and other North and South American countries. Its plant is located in the town of Tangshan, a few miles north of Tientsin within the

so-called East Hopei Neutral Zone controlled by the Japanese Army. According to the Nanking report and also the report of a woman investigator connected with the League of Nations at Geneva, the Japanese heroin plant at Tangshan is the largest in the world. The Sung Syndicate's plants are all located within the Japanese Concession.

Chinese clerks and attendants gossip freely about the "big money" market in the United States for products of these factories. A package of heroin which costs $350.00 in Chinese Currency (about $100.00 in U. S. Currency) in Tientsin can be sold for $450.00 in Shanghai, and if it can be safely transported to the United States it can be sold in San Francisco for U. S. $500.00. The standard package usually contains 700 grames.

The writer of the booklet told how other Chinese ports, primarily Shanghai, usually receive credit for heroin and other narcotic shipments which originate in Tientsin. He said it would be much more profitable if the drug could be shipped directly from Tientsin through Japan to the United States, but for obvious reasons the Japanese dealers do not want the fair name of Nippon to be tarnished. Therefore, all Tientsin dope shipments are routed through Shanhgai, Hongkong or other ports. Seizures at United States ports usually are reported as having originated at Shanghai or merely as 'China dope."

CORONATION OF KING GEORGE VI OF ENGLAND WILL TAKE PLACE MAY 12

ON May 12 England's King, George VI and Queen Elizabeth will be crowned at an elaborate ceremony to be held in Westminster Abbey, in accordance with tradition. If ex-King Edward, now the Duke of Windsor, had not abdicated in order to marry an American woman, Mrs. Wallis Simpson, it would have been for him that the ceremony would be staged.

Coincident with reports regarding last-minute Coronation plans comes the news that Mrs. Simpson's divorce was made absolute on May 3. As soon as the ex-King heard the news he arranged to leave Salzburg, where he has been staying since his abdication, and proceeded to Tours in France to rejoin Mrs. Simpson. It is not known exactly when their marriage will take place, but it will probably be solemnized shortly after the coronation.

Although England is not crowning the King she originally expected to, the ceremony and the attendant celebrations will not suffer therefrom. Hundreds of thousands of visitors are flocking to London to witness the greatest pageant of a generation. Official delegations have been sent from every country in the world to represent their governments and to participate in the attendant ceremonies. Prominent among these delegations is that of China, a group of 40 headed by Dr. H. H. Kung, Minister of Finance.

It is natural that such an impressive and momentous occasion should be properly observed in Shanghai, where the British community is so large. Preliminary to the actual celebrations, the various business houses have draped most of Shanghai's important buildings with flags, bunting and appropriate posters. The British Consulate General has been elaborately decorated for the occasion. Among the many affairs to be held in honor of the crowning of England's King and Queen the most important is the Coronation Tattoo, the first presentation of which will take place on the evening of May 12 at the Race Club. Scenery is being erected, flood lights are being installed and everything possible is being done to make the Shanghai celebration an imposing one.

By special arrangement with the British Broadcasting Company, the Central Broadcasting Station at Nanking (XGOA) will broadcast a special program from 6.15 p.m. on May 12 describing the Coronation of George VI at London.

Mrs. Wallis Simpson's Divorce Made Absolute —Duke Meets Future Wife

Mrs. Wallis Simpson's divorce was made absolute in the divorce court in London May 3. The proceedings were largely formal and lasted but 25 seconds.

On the same day the Duke of Windsor proceeded from Salzburg, Austria, by express to Tours, France, where he met Mrs. Simpson, who has been staying at the Chateau de Cande, near said city, and in which the wedding ceremony is to take place shortly after the Coronation.

British Civil List Does Not Mention Duke of Windsor

The British Civil List was made public May 3. Provision is made for various members of the Royal Family, but the Duke of Windsor was not included in same.

Duke of Windsor Continues Libel Suit so as to Stop Sale of Book in America

Despite an apology tendered by the author and publishers and the fact that the book "Coronation Commentary" has been withdrawn by the publishers, the Duke of Windsor has not withdrawn his charge of libel, in an effort, as telegrams from London explain, to prevent the book being circulated in the United States and Canada, for which territories, Dodd, Mead & Co. have purchased the publication rights. One of the highlights in the book is a statement that the Duke endeavored to run the monarchy along "saxophone and cooktail lines"; also described his American friends as a "fast set of trans-Atlantic wise-crackers."

"Simplicity" of Chinese Language Stressed by Dr. Tuan Mao-lan

Discrediting the general belief that Chinese is one of the most difficult languages, that it forms an imaginary Great Wall shutting up the Chinese intellectual life from the rest of the world, Dr. Tuan Mao-lan, secretary of the Ministry of Foreign Affairs, declared in a recent broadcast from Nanking that it is progressive logical, and simple.

In regard to simplicity, modern Chinese compares favorably with the Basic English, he said. The great Kang Hsi Dictionary, complied in 1711, includes nearly 100,000 words. But the present-day usage employs only three or four thousand characters, out of which we have built a "basic" Chinese by natural evolution without the conscious efforts of any sponsors. Instead of using different words for "ox," "cow," and "calf," we say in Chinese male, female and small cattle. This simple system of word combination is applied to all the words of a more recent origin, thus "bicycle" is in Chinese "self-going-car" or "foot-treading-car." We have "electric-speaking" for telephone and "electric-message" for telegram. Dr. Tuan declared that the Chinese system is more natural and more adequate than Basic English.

"Hence, we may conclude," he said, "Chinese as it is spoken and written today has already been developed into such a stage as will satisfy the requirement of an ideal modern language, both from the viewpoint of syntax, indicated by the absence of such nuisances as declension and conjugation, and from the viewpoint of word-formation, as shown by the natural evolution of the language strictly in conformity with the Basic English principle."

Japanese Seek New Deal in Pacific Behind Stage of London Coronation Activities

BEHIND the formalities of the Coronation of George VI there is being staged a dramatic struggle in London participated in by representatives of various Oriental states for British support in the Far East.

O. M. Green, for many years known as the "die-hard" editor of the *North China Daily News*, who retired from that position shortly after the Chinese Nationalists came into power, wrote an article which was published on May 3, wherein he stated that the Japanese action in despatching Prince Chichibu, brother of the Emperor of Japan, as a delegate to the Coronation was an event of outstanding importance. Declared Mr. Green:

"It is impossible not to feel certain political significance in the air. The repeated olive branches that have blossomed toward England from the Japanese press in the past year; sending of the 'Divine Wind' on her wondrous flight; the notable expression of desire in the Diet by Mr. Sato, the Japanese Foreign Minister, for friendship with Great Britain —these symptoms have not gone unremarked in London nor by any means unrequited. The satisfactory solution, too, of the Keelung (Formosa) incident, which at one time appeared insoluble, has made a good impression."

Mr. Green concluded by stating his belief that Japan is now particularly anxious that Great Britain should not be drawn into the Franco-Bolshevist Pact. "However since the overtures to ourselves coincide with every appearance of a new and better attitude toward China (on the part of Japan), there is strong feeling among those interested in the Far East that we should not be backward in responding to them frankly and warmly."

But it should be recorded that there is another school of opinion in England, represented by the liberal *Manchester Guardian*, which does not coincide with Mr. Green's ideas about changes in Japanese policy. The *Guardian*, according to a *Reuter's* dispatch on April 27, declared that while "it was clear that Japan's rulers had decided to adopt a more moderate policy toward China and a more conciliatory attitude toward the world at large, the truth, however , was that events over which the Japanese have no control had forced a halt in an adventurous Army policy

The real change is not internal but external."

Further evidence of Oriental political activity behind the facade of the Coronation was provided in a *United Press* dispatch from Washington on April 30 which stated that diplomatic representatives of various Asiatic countries were planning to capitalize on the favorable atmosphere of the British Coronation to propose numerous projects affecting Far Eastern policies. These activities would affect principally the political and economic stability of Far Eastern nations. It was stated that in addition to the "exploratory" conversations which were initated in London by Shigeru Yoshida, the Japanese Ambassador, it was reported that Dr. H. H. Kung, Chinese Minister of Finance, would sound out the British authorities regarding the prospect of international credits to China. The *United Press* dispatch claimed that, despite repeated denials Dr. Kung was charged with such a commission, the feeling prevailed that such conversations would be opened upon Dr. Kung's arrival in London.

Another newcomer on the international stage whose representative turned up unexpectedly in London was the Philippine Commonwealth. President, Manuel L. Queson, arrived in London allegedly for the purpose of discussing with European diplomats the question of Philippine neutrality after the Islands achieve complete independence from the United States. Great Britain, it was pointed out, would be a necessary party to any agreement to neutralize the Philippines. It will be remembered that the commander of a British cruiser was the first naval officer of an important world power aside from the United States, to fire an official salute in honor of President Quezon last year. That the question of neutralizing the Philippines has added another problem of complicating nature to the Far Eastern puzzle is obvious. Japanese diplomatic representatives in Washington have already intimated Japan's willingness to guarantee the neutrality of the Islands, providing the United States withdrew all its naval and army stations from Philippine territory and at the same time gave the Japanese a hand in the writing of a new Philippine tariff law that would be favorable to Osaka products.

According to a *Havas* message, supposedly expressing the French point of view, President Roosevelt took advantage of his recent vacation trip to the Gulf of Mexico to study a so-called "world reconstruction plan" which would involve a series of accords between Great Britain and the United States, all of which would, directly or indirectly, affect the Far East. Among the possible points to be covered by such an accord were war debts; non-aggression; commercial exchanges, which would include the British Dominions; stabilization of the pound and the dollar, and possibly the franc; convocation of a world conference sponsored by the United States and Great Britain; and (the most important) a scheme whereby the United States would put into circulation Gold $550,000,000 (now sterilized), and at the same time limit circulation of newly mined gold.

Further elements entering into the situation were reports regarding Russia's development of a Far Eastern fleet and gestures toward the United States to provide supplies for that purpose. The Germans claimed that Soviet authorities intend to carry out a big program of naval construction with the

aid of American technical advisors. The program would provide for the construction of ten cruisers as well as two battleships of 30,000 tons each and other craft.

Also of direct bearing on an Anglo-American understanding or an Anglo-Japanese agreement or any other attempt to initiate a "New Deal" in the Pacific is the present American naval program in the Pacific and the recently enacted neutrality legislation. The Commander of the naval air station at San Diego recently recommended the immediate construction of more large air bases on the Pacific coast, in addition to work now in progress both on the Coast and at Honolulu and work in contemplation on the Alaskan coast. Frederick V. Field, Secretary of the American Council of the Institute of Pacific Relations, which organization now publishes two magazines devoted to Far Eastern subjects, expressed the opinion that there was little chance of Japan's withdrawal or curtailment of her advances on the Asiatic Continent and in consequence there was strong possibility of war between China and Japan. Referring to American reactions Mr. Field said that "isolationist opinion" in the United States did not consider it was any of America's business to assist China to fight her battles against Japan, believing on the other hand that by alleviating Japan's difficulties elsewhere that this would result in reducing Japan's pressure on China.

According to Shigeru Yoshida, Japanese Ambassador in London, who is discussing the question of a "New Deal" in the Pacific with Sir Alexander Cadogan, former Ambassador to China, now Deputy Under-secretary of State for Foreign Affairs, said that the Great Powers should attempt to rehabilitate China financially and economically. But there was considerable skepticism among London diplomats as to whether the conversations which the Japanese had initiated meant a long range change in Japan's policy toward China or merely an indication that the Japanese Army was marking time until a better diplomatic atmosphere prevails. It was stated that, if the conversations progress, one of the first tests which the British would apply to determine Japan's good faith would be whether Japan would be willing to suppress the smuggling of Japanese goods into China.

The French *Hæwas* news service, which is watching the Anglo-Japanese conversations closely because of their bearing on the Franco-Russian pact, stated that the belief prevailed in London that Japan "would shortly make certain definite and concrete proposals to the British Government looking toward an improvement in relations between the two countries and a settlement of their respective interests in the Far East. It was claimed that the trend toward closer rapprochement between Japan and England had been noticable in recent months, but on the other hand the Japanese saw no necessity of making overtures to Great Britain in connection with her problems in China. The Japanese felt that these problems must be settled exclusively by China and Japan.

The Shanghai "Evening Post" Discusses Censorship

The Shanghai *Evening Post* in recent issues has made references to censorship in the Malay States and in China. It stated that the telegram received at its office concerning the refusal of the Singapore anthorities to permit the showing of the film "The Green Pastures" had the word "Censor" with a capital "C," but the word "god" with a small "g." Regarding the address made by Ambassador Giulio Cora to Chairman Lin Sen on the occasion of presenting his credentials at Nanking last week, the *Bost* called attention to the fact that the Chinese news agencies omitted that part of the new Italian Ambassador's address in which he referred to the King of Italy also as the *Emperor of Ethiopia.*

The *Evening Post* on May 3 stated that it had received a telegram from T. T. Li, head of the Intellgience Bureau at Nanking, to the effect that there was no reference to Ethiopia either in the official French text or in the actual utternce by the Italian Ambassador. Dr. Li incidentally stated that China's position had not been changed on the Ethiopian question.

General Relief Commission Devises Detailed Drought Measures

By order of the Executive Yuan, a meeting of representatives of the Ministries of Finance, Industry and Interior was convened in Nanking April 30 by the General Relief Commission, when detailed measures for drought relief were devised.

General Chu Ching-lan, Chairman of the General Relief Commission, arrived in Sian, April 29 from Chengtu by airplane. He conferred with General Ku Chu-tung, Chairman of the Kweichow Provincial Government and concurrently Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission, on the drought situation.

$140,000 to Be Spent on Relief in Kweichow

A sum of $140,000, including $100,000 from the Central Government, will be spent for emergency relief in more than fifty districts in Kweichow, according to a decision reached by the provincial famine relief commission in Kweiyang, May 2. Gen. Ho Ying-chin, Minister of War, and other Kweichow natives resident in Nanking last week sent a telegram to Gen. Chiang Kai-shek. Executive Yuan, requesting immediate appropriation of an additional $1,000,000 for famine relief in the province.

Chiang Pao-cheng, Chairman of the Kweichow branch of the China International Famine Relief Commission, on arrival in Nanking this week stated that the present drought in Kweichow has turned many rivers and their tributaries in the province into dry land. The Nanmin River, which has been the main waterway in central Kweichow for more than one thousand years, has now become a veritable rough highway.

The first meeting of the reorganized Kweichow Provincial Relief Commission was held in Kweiyang May 1 under the chairmanship of Lieut.-General Han Te-chin, member of the Kweichow Provincial Government.

An appeal for the remittance of one million dollars to Kweichow for urgent drought relief, was made by Cheng Ching-sheng, delegate of the Central authorities to supervise the task of drought relief in Kweichow, in a telegram to General Chiang Kai-shek April 29.

Rehabilitation and Relief Work in Kansu

Rehabilitation and relief work will form the foremost task in the administration of Kansu, declared Gen. Ho Yao-tsu, former Minister to Turkey and newly appointed Acting Chairman of Kansu, on his arrival in Nanking, April 28, from Shanghai.

In view of the gravity of the drought situation in Kansu, all slaughter houses in Lanchow have been ordered to suspend operation for seven days, while amusement houses will be closed for a like period.

In order to faciliate drought relief in Kansu, Tu Yen-nien, representative of the Ministry of Finance, has divided the province into five areas for the dispensing of relief. Mr. Tu will despatch a representative to each of these areas to supervise the distribution of relief in conjunction with representatives of the Kansu Provincial authorities. Mr. Tu has requested the Central authorities to forward relief funds and medical supplies to Lanchow for urgent use.

Drought Calamity in Szechuen Was Unparalleled, But Rain Improves Situation

The gravity of the drought calamity in Szechuen is unparalleled in the past hundred years, the General Relief Commission, stated in a telegraphic report to the Central authorities April 28. Only two million dollars, jointly appropriated by the Central authorities and the Szechuan Provincial Government, are available for the succor of the brought victims in Szechuen, the report added. Later messages stated that the drought had been broken by copious rains.

Navigation between Ichang and Chungking has been resumed following a gradual rise of the Yangtsze level.

Finance Ministry Rejects Szechuen Loan Proposal

The Ministry of Finance has rejected the proposal of the Szechuen Provincial Government for the issue of a $15 million famine relief loan for emergency relief of the drought in that province. In turning down the proposal, the Ministry made it clear that while it was gravely concerned over the serious famine situation in Szechuen, the suggested plans for the new loan do not appear satisfactory and therefore had to be dropped. According to the original proposal, the new loan was to be secured on the surplus of the sinking fund for the Szechuen Provincial Treasury Notes, which had been converted into Consolidated Bonds, and also on the surplus of salt revenue in the province. Both these surpluses, it was pointed out, should go to the national exchequer and therefore cannot be earmarked for the amortization of a provincial lorn.

Shantung Chairman Donates $2,000 for Honan Famine Relief

Gen. Han Fu-chu, Chairman of the Shantung provincial government, has donated a sum of $2,000 toward the relief fund.

The Future of Sino-Japanese Relations

BY C. Y. W. MENG 孟長泳

BOTH China and Japan have intimated that they will adopt a "new policy" towards each other. Both of them have new Foreign Ministers. Both of their Ambassadors have been recalled to make a detailed reports to the Ministry of Foreign Affairs and the Foreign Office to enable them to formulate and adopt a "new policy." Both the Chinese and Japanese people are now wondering what will be the next probable development in the Sino-Japanese relations—war or peace?

Conflict of Views

In an editorial April 13 on the "Present Political Situation in Japan and Sino-Japanese Relations Hereafter," the *Ta Kung Pao*, or *L'Impartial*, generally known as the leading paper in the country, predicted that some new developments are likely to take place in Japan when co-operation between the War Office and the Japanese "capitalists" will likely be prolonged, and that the Japanese foreign policy will turn toward "peace," and, lastly, that Sino-Japanese relations will "not turn for the worse," etc.

In another editorial of April 15 on "Future Sino-Japanese Relations," the same Chinese daily urged the Chinese to place "confidence" in Japan's *sincere intention* to improve her relations with China. Pointing out that the urgent task before China today is to preserve national strength as much as possible, "so we need peace within and without"; and "so, although, on one hand, we are determined to resist further invasions and to remove all obstacles which constitute infringements on our national unification, independence and freedom, we should not, on the other, refuse the peace offered to us by anybody." "Based on such observation," continued the paper, "the Chinese people should, therefore, express their welcome to the Japanese 'peace talks'; and we have further praise for the early realization." Expressing its confidence that after the Kodama Mission to China, there would be new developments when Japan would employ economic co-operation with China as the "center of the Japanese China policy," the paper advised the Chinese people to grasp the opportunity and to take steps to meet the situation, "but not to disappoint Japan!"

But such editorials from *L'Impartial* at once started "editorial fire" from contemporaries. In a series of editorials, the *Fu Lan Jih Pao* (扶輪日報), an independent paper in the Capital, questioned and challenged the soundness of the editorials, pointing out that China would be glad and ready to co-operate with Japan, but asked: Would Japan return the occupied territory to China, as a proof of their awakening?

Continuing, the same paper pointed out that due to economic co-operation during these two years, northern China is now being reduced to the status of a "colony" of Japan. "We have to warn our contemporary that the 460,000,000 Chinese long have known that the invasion of the Chinese territory would not cease. So, in order to seek for national salvation and existence, we have, under the direction of the Central Government and the leadership of General Chiang Kai-shek, to unify ourselves and to concentrate our efforts on the internal reconstruction, on the one hand; and to resist the invasions on the other," said the paper *inter alia*. In concluding, the paper characterized the Japanese "peace talks" with China as only a "feeler" to test the Chinese preparations for resistance, and to appease the Chinese and foreign feelings against Japan.

Any Change of Japanese China Policy?

In discussing the future Sino-Japanese relations, the first essential question in our opinion is: Will there be a *change* in the Japanese China policy after the present election?

In his speech in the Upper House, N. Sato, the newly appointly Gaimusho head, was quoted to have said:

"... **In the whole course of diplomatic negotiations between Japan and China, has the principle of equality and reciprocity always been upheld? ... While continuity is essential to the diplomatic policy of any country, the kaledioscopic unfolding of the international situation which it has to deal with makes it imperative for any Government at their inception to examine and reconsider the course taken by their predecessors. ... In the diplomatic dealings with a nation, the importance of *the other party* must not be forgotten. In the height of excitement, when strong words and views prevail, the very existence of the other party is quite often unfortunately pushed too far to the vanishing point ...**".

Mr. Sato was further to have proposed "to throw all the past mistakes overboard and to strike a new path, guided by the principle of equality, for restoring friendship and amity between the two nations." He had even gone so far as to indicate the possibilities of removing from the diplomatic service those who are found to be no longer suitable to the changed condition. He also openly advocated the "simplification" of the northern China problems and "abolition of the dual diplomacy."

Thus, it is the first time since the Japanese invasion of Chinese territory that we hear of Japanese officials talking about "the principle of equality and reciprocity" with China, the "interests of the other party," etc. Such announcement did, of course, give rise to fresh hope in the amicable settlement of Sino-Japanese disputes. So, some Chinese contemporaries urged the Chinese people to place confidence in the Japanese intention. Indeed, with such policy and with such an opened-minded diplomat as Mr. Sato, as the foreign minister there should not be any insurmountable obstacles in the way of readjusting Sino-Japanese relations on the principle of equality and reciprocity!

Although Mr. Sato's speech had been endorsed by most enlightened Japanese people, let us ask: What were the reactions of the Japanese militarists, rightists, etc.?

To be brief, his speech was bitterly opposed, and Mr. Sato was strongly condemned as being opposed to "Japanese national policy."

Recent events in Japan together with the failure of the Kodama Mission to China convince the Chinese that:

(1) the socalled Japanese Continental Policy, which is the Japanese traditional or "national policy" in China, is by no means being modified, not to speak of being abandoned; that
(2) the Japanese militarists still dominate and dictate in Japanese politics; and that
(3) the Japanese militarists still take the diplomatic negotiations with the Chinese into their own hands.

Mr. Hirota's Three-Point Program

It may be of some importance to recall the Hirota 3-Point Program, which the author proposed before as the conditions of the readjustment of Sino-Japanese relations. The Program is as follows:

1. Thorough suppression of the Chinese anti-Japanese thoughts and activities in the country.
2. Conclusion of Sino-Japanese anti-Red military Pact.
3. Economic co-operation between China, Japan and Manchukuo, and special position in North China.

As every layman knows the acceptance of these demands will mean the capitulation of China. Japan demanded their acceptance, but China stubbornly refused to yield. We recall this Japanese "Program" because it is also said that such program is never being abandoned by the Japanese.

Dr. Wang Chung-hui's Three-Point Program

At the same time, it is of equal importance for us to study the Chinese program. While Mr. Sato was expounding the principle of equality before the Upper House, China's new Foreign Minister was likewise assuring the press representatives of the desire of the Chinese to uphold "the principles of mutual benefit." He says:

"... **Its (the foreign policy's) fundamental principles are the maintenance of the integrity of China's territory and sovereign rights and the conduct of international relations on the basis of equality and reciprocity. Under the guidance of these principles, all possible efforts will be made, in an atmosphere of peace, to further international comity and friendship ...**".

He was further quoted to have said that the "3-Point Program" which he put before the Japanese officials while on his way to the Hague in 1934 still holds good today. His program is as follows:

1. Both China and Japan should accord equal treatment to each other in accordance with international law; and Sino-Japanese negotiations should be proceeded with on an equal footing.
2. All diplomatic negotiations should be conducted through usual and proper diplomatic channels.
3. Both China and Japan should demonstrate their sincerity in the readjustment of relations and in the maintenance of peace in the Far East.

That is, a study of Mr. Sato's speech together with its reactions convinces us that there will not be any change in the Japanese China policy; another study of the Chinese and Japanese 3-Point Program further reveals to us that there is such a wide gap between the Chinese and Japanese views as not to justify any hope for early settlement.

Chinese Unanimous Demands vs. Japanese Doctrine of "Fait Accompli"

Such are what the Chinese and Japanese officials have said about the future Sino-Japanese relations. But let us turn to what the Chinese masses have said on the same subject.

In an editorial of Feb. 17, on the "first step for the readjustment of Sino-Japanese relations," the *Ta Kung Pao*, or *L'Impartial*, laid down the follow "prerequisites" for the readjustment:

1. Abolition of the bogus administration in the Eastern Hopei.
2. Return of six hsiens in northern Chahar to China.
3. Total withdrawal from the north China of the Special Service Bureaus attached to the Japanese Army.

Wang Ven-sen, a noted authority on Sino-Japanese affairs, in his article in *Kuo Wen Weekly* (Vol. 14, No. 8) pointed out "three problems" which had to be first settled, and they are:

1. Abolition the bogus organization in Eastern Hopei.
2. Extirpation of the smuggling.

(*Continued on page 389*)

North China Menaced by Japan's Latest Moves

(BY C. Y. HSIEH 謝志耘)

DESPITE recent professions of the need of reorientation in some high circles in Tokyo, Japanese policy in China is once more falling back on obsolete and discredited formulas. Proofs of this relapse are available on almost every hand, but more particularly on the North China front where Japanese representatives and agents have been busy picking up the threads where they left off a few months ago. In actions and statements these protagonists of the Continental policy have reaffirmed their intention to maintain the bogus East Hopei regime, to intensify the "special" character of the Hopei-Chahar Political Council, and to resume the westward drive into Suiyuan from north Chahar.

As an obstacle to Sino-Japanese rapprochement, the East Hopei Anti-Communist Autonomous Government is notorious. Its existence, while prejudicial to China's territorial and administrative integrity, has brought Japan nothing but odium and disrepute. The evil of smuggling for which the bogus regime is so largely instrumental, has injured everybody, not excepting legitimate Japanese traders, many of whom shared the resultant losses. It is therefore reasonable to suppose that purely economic considerations, if not decency and honor, might have counselled the Japanese authorities to wash their hands clear of the East Hopei set-up. The Kodama Mission which visited China recently could not have failed to be impressed by the firm stand of Chinese official and public opinion for abolition of the Yin Ju-keng regime as a pre-requisite of Sino-Japanese economic cooperation. The same impression was said to be strong with S. Kawagoe, the Japanese Ambassador, who has just been recalled to Japan to report to Foreign Minister N. Sato on Sino-Japanese negotiations. Both Mr. Kodama and Ambassador Kawagoe have expressed themselves, overtly or otherwise, as willing and ready to see if anything could be done about it. On the strength of their attitude it was reported that a movement has been afoot in Tokyo to put an end to the East Hopei regime.

Whatever may be the reaction of Japanese business and industrial interests, it is apparent that this legitimate requirement would find no favorable response from the Army and its jingoistic supporters. Their obsession is imperial glory, and not economics which in most instances should be left to take care of itself. True enough, they are not unaware of the colossal economic failure that has overtaken their Manchurian venture so far, yet they have persisted for the sake of Japan's Far Eastern hegemony. Likewise, whether the East Hopei regime is justified on economic grounds or not, it fits in well with the scheme of expansion. The Empire needs it as a new wedge into North China.

Relations Between East Hopei and Manchukuo Become More Intricate

As a matter of fact, the relationship between the East Hopei regime and Manchukuo and Japan is hourly becoming more intricate with the projected increase of Japanese garrison at Tungchow and construction of two railways between Tungchow and Chengteh (in Jehol) and between Tungchow and Tangshan, to which city the seat of the puppet government may, according to a report, be removed.

Lest foreign countries might lose sight of this close relationship, the puppets were called upon to demonstrate what amounted to allegiance to their Japanese masters. An appeal to the sense of justice of Dai Nippon and against dissolution of his bogus regime was recently addressed by the arch-puppet Yin Ju-keng in the name of the people in East Hopei. Then a delegation headed by Chih Tsung-mo, Yin's secretary-general, went to Japan to plead that China's proposal for abolition of the East Hopei Anti-Communist Autonomous Government be rejected. Such a show of popular will may, as usual, be necessary to satisfy the conscience-stricken Japanese, but it need not deceive anyone as to the source of its "inspiration."

Chih Tsung-mo's mission recalled to mind two other investigation parties to Japan dispatched under the auspices of the Hopei-Chahar Political Council. One—formed chiefly of newspaper men in Peiping and Tientsin—recently proceeded to Japan in circumstances which aroused much misgivings and protest throughout the country. The other and more official party composed of General Chang Tze-chung, Mayor of Tientsin, and officers of the 29th Army, went to Japan with the alleged mission of swaying influential quarters there in favor of incorporation of the East Hopei regime with the Hopei-Chahar Political Council.

What chance, it may be asked, is there of their success? Not only is it almost nil, but the mission, together with others recently dispatched to Japan, must have become unwitting parties to Japan's scheme of alienating Nanking and North China. For it must be emphasized that Tokyo did not look with favor on the gradual strengthening of ties that bind them together, as instanced by greater fiscal and currency control by Nanking and by the presence of General Chin Teh-chun, General Sung Cheh-yuan's right-hand man now Mayor of Peiping, in the second plenary session of the Kuomintang Central Executive Committee held in February. To combat this tendency, it was deemed necessary to "inspire" the dispatch of one mission after another to Japan.

These, however, do not exhaust Japanese efforts to emphasize the "special" character of the Hopei-Chahar Political Council. After barely one year of its operation the Hsing Chung Company, which assumed the role of the S.M.R. for North China, had its capital doubled to reach Yen 100,000,000, while the Eastern Development Company, another financial octopus, also extended its monopolistic hold on the chief industrial enterprises. If to these facts are added the sudden increase of Japanese population (exclusive of Japanese and Korean ronin) in the Peiping-Tientsin area from less than 10,000 last year to about 17,000 now, the extension of the activities of Japanese railway guards, the replenishment of military equipments and supplies and probable further reinforcements of the North China garrison, it is high time to take stock of things to come in the North.

Early Resumption of Attack on Suiyuan Envisaged

Casting still greater gloom over the northern political horizon are persistent reports of an early resumption of attack on Suiyuan Province by the "Manchukuo irregulars." Revenge is said to be the motive of "certain quarters," not a few of whose nationals met death last winter at the hand of Chin Hsien-chang, a brigade commander of the "irregulars" who deserted to join the Government forces. Signs of a possible new invasion are furnished by redoubled efforts in recruiting and drilling man power, in accumulating war equipments and supplies and in speeding up military transport facilities.

From Jehol and even from East Hopei bands of Manchukuo troops and new recruits have poured into north Chahar en route to the "front." Their gradual westward push has already brought tension to such outposts as Shangtu, Nanhochan and Tachingkou (Shangyi). Accompanying their march were a steady stream of arms and ammunition and a staff of military wireless technicians, whose work in linking the front with the bases of operations is counted upon to remedy one of the defects which caused the collapse of the invasion last year. Meanwhile, military transportation has been greatly improved by the completion of rail service between Chengteh in Jehol Province and Dolonor in east Chahar, from which point, according to some reports, it will shortly be extended by a motor highway to Kuyuan, another strategic center in Chahar Province.

With all these intrigues and schemings the familiar notorious names of Wang Ying and Prince Teh have been associated. Wang, son of an early settler, who turned traitor year before last, had suffered serious defeats in the abortive invasion last winter. His troops greatly decimated and demoralized, he was relieved of his command of an independent army by the Japanese resident officer at Changpei, Chahar, who preferred to stake Japanese interests on Li Shou-hsin and Prince Teh. Recently, however, some differences have ruffled the relations between the latter two. This, together with the transfer of the Japanese officer at Changpei, encouraged Wang to stage a comeback. So he went to Tientsin to plead his case before the headquarters of the Japanese North China garrison. As a result of his negotiations, it was reported that his reinstatement will be forthcoming. Since he is still a commander without an army, busy recruiting and training activities have been going on in Jehol and East Hopei to raise a fighting horde for him.

Meanwhile, Prince Teh has also emerged from retirement to which he betook himself after the failure of the Suiyuan invasion. His recent flight to Changshun signified his intention to secure a new mandate and fresh instructions from the Kwantung Army headquarters. Back in his own bannerland in Hsisunitch this month, he made use of a memorial service for his mother which fell on April 21, to hold a rally of his subordinates and allies. A formal conference of Inner Mongolian leaders took place on April 26 at Chapser, the seat of his autonomous council, where the organization of another bogus regime like Manchukuo has been freely predicted. In this connection the interested parties also seemed to have set great store by the celebration of the birthday anniversary of Genghis Khan on May 1, which date might furnish the occasion for some important political move.

Shanghai, May 1, 1937.

Peitaiho Summer Resort Now Part of Eastern Hopei "Demilitarized Zone"

The Russian newspapers note that summer visitors to Peitaiho will be under a new administration as compared with former years, as it has been taken over as part of the Eastern Hopei's so-called "demilitarized" zone. It is also noted that the majority of the houses and streets in the resort have been cleaned and put into excellent condition.

Outstanding Events in the Month of March, 1937

1.—Second batch of new Japanese troops numbering about 2,000 arrived at Peiping-Tientsin area to relieve part of the old units stationed there.

2.—Shanghai First Special Area District Court ordered extradition of Liu Lu-ying (C.E.C. member and former close associate of the late Hu Han-min) to the Hankow District Court for trial in connection with his alleged complicity in the murder of General Yang Yung-tai, late Chairman of Hupeh, last winter.

2.—New Shensi Chairman, General Sun Wei-ju, returned to Sian after a brief visit to Nanking and Shanghai.

2.—The Ministry of Justice announced in a circular order that since Spain now has no diplomatic and consular representation in China, all the Spaniards resident in this country shall henceforth be placed under the jurisdiction of Chinese Courts.

2.—Yin Ju-keng, head of the bogus East Hopei Regime, flew to Changchun to see the Japanese military authorities to discauss plans for the expansion of his regime.

3.—Central Political Council announced appointment of Dr. Wang Chung-hui Minister of Foreign Affairs, General Yu Fei-peng (acting Minister of Communications) Minister of Communications and General Chang Chun (resigned Foreign Minister) Secretary-General of the Central Political Council.

4.—Dr. Wang Chung-hui arrived at Nanking from Shanghai.

5.—The Standing Committee of the Central Supervisory Committee of the Kuomintang decided to suspend the membership of Liu Lu-yin for three months.

5.—General Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, left Nanking for a visit to his native city in Anhwei.

6.—S. Kawagoe, Japanese Ambassador to China, interviewed General Chiang Kai-shek at Nanking.

6.—National Government appointed General Hsu Yung-chang, former Chairman of Shansi Provincial Government, as Officer-in-Charge of the Military Affairs Commission.

6.—Hsu Shih-ying, Chinese Ambassador to Japan, left Japan for China.

7.—Northeastern troops under General Yu Hsueh-chung, Chairman of Kansu, began their transfer eastward from Shensi and Kansu with Pengpu in Anhwei as their destination.

8.—The new Foreign Minister, Dr. Wang Chung-hui, assumed office.

8.—General Yu Han-mou, Pacification Commissioner for Kwangtung, called on the Hongkong Governor while en route back to Canton from Nanking.

9.—Hsu Shih-ying, Chinese Ambassador at Tokyo, arrived at Shanghai from Japan.

10.—General Chiang Kai-shek arrived at Kuling from Nanking by plane.

10.—Foreign Minister Wang Chung-hui received foreign diplomatic representatives.

10.—Draft agreement providing for exportation of Changlu salt to Japan signed at Tientsin. First consignment under this agreement amounted to $100,000 tons.

11.—City Government of Shanghai Municipality protested to the Shanghai Municipal Council against barricade of "The Stupid Valley," a lane in Yu Yuen Road (an extra-Settlement Road) for refusal of the residents of the lane to pay the Municipal Rate.

11.—12th anniversary of the death of Dr. Sun Yat-sen observed.

13.—Wang Ching-wei, Chairman of the Central Political Council, arrived at Taiyuan, Shansi, by plane as delegate of the C. P. C. to officiate at the memorial services in honor of the Suiyuan war dead at Kweihua.

13.—Hsu Shih-ying tendered resignation as Ambassador to Japan, but was persuaded by Foreign Minister Wang Chung-hui to remian in office.

14.—General Chiang Kai-shek returned to Nanking after a brief stay in Kuling.

14.—Official and public organizations in Taiyuan held a mass meeting welcoming Wang Ching-wei.

14.—Japanese Economic Mission to China headed by K. Kodama arrived at Shanghai.

15.—Memorial services in honor of the Suiyuan war dead last winter held at Kweihua, capital of Suiyuan, with Wang Ching-wei and Gen. Yen Hsi-shan (Pacification Commissioner of Shansi and Suiyuan) presiding.

16.—Japanese Economic Mission to China entertained by General Chiang Kai-shek and Foreign Minister Wang Chung-hui at Nanking. General Chiang in a speech at the reception quoted the famous Confucius saying "Don't do unto others what you don't want others do unto you" as a message to the Japanese people.

16.—Japanese military officers held conference at Tientsin.

17.—Wang Ching-wei and Yen Hsi-shan returned to Taiyuan from Suiyuan.

17.—Japanese Economic Mission to China entertained by the Sino-Japanese Trade Federation in Shanghai.

18.—Wang Ching-wei returned to Nanking from Shansi.

18.—General Ho Kuo-kwang, Director of the Generalissimo's Provisional Headquarters at Chungking, arrived at Nanking, denying rumors of Szechuan authorities planning revolt against Nanking.

18.—First business meeting of the Sino-Japanese Trade Federation held at Shanghai.

19.—General Ho Kuo-kwang reported to General Chiang Kai-shek and Wang Ching-wei that conditions in Szechuen were peaceful.

20.—Seven Chinese customs officers seriously assaulted by Japanese ronins when the former seized a consignment of smuggled copper coins.

20.—National Government appointed Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, as China's Special Ambassador and Chief Delegate to the British Coronation.

20.—General Huang Mu-sung, Chairman of Kwangtung, died.

20.—Chairman Lin Sen of the National Government left Nanking for Canton via Hupeh and Hunan.

21.—National Government announced appointment of General Wu Te-chen, Mayor of Shanghai, as Chairman of Kwangtung.

21.—Sino-Siamese Association formed at Nanking.

22.—Major-General Kita, Japanese Military Attache, called on General Han Fu-chu, Chairman of Shantung.

23.—General Chiang Kai-shek arrived at Hangchow from Nanking.

23.—Executive Yuan appointed General Chen Chin-yun President of the Central Aviation Academy.

26.—Chow Tso-min, President of the Kincheng Banking Corporation and President of the Sino-Japanese Trade Federation, arrived at Hangchow to report to General Chiang Kai-shek on the results of discussions at the conference of the Association at Shanghai.

27.—National Government appointed Quo Tai-chi, Chinese Ambassador to Great Britain, as second Dpeuty Delegate to the British Coronation.

28.—Gens. Yang Hu-cheng and Yu Hsueh-chung flew from Shensi to Shanghai.

29.—Chairman Lin Sen presided at the memorial service in honor of the 72 revolutionary martyrs at Canton.

30.—Executive Yuan appointed General Chu Shao-liang, former Pacification Commissioner of Kansu, as Chairman of Kansu Provincial Government.

30.—Gens. Yang Hu-cheng and Yu Hsueh-chung interviewed General Chiang Kai-shek at Hangchow.

30.—A combined Japanese fleet arrived at Tsingtao reportedly to hold maneuvers.

Electricity Consumers' Association of Protest Forbidden by Executive Yuan

A circular order has been issued by the Executive Yuan to the various local authorities concerned (on the recommendation of the National Reconstruction Commission, that no electric consumers' association may be organized to evade or postpone payment of electricity bills. Recently, according to reports received by the National Reconstruction Commission) consumers of electricity in some districts, ostensibly dissatisfied with the service provided by local electric power companies, have often organized consumers' associations and declared a postponement of the payment of bills for electricity used. In its circular order, the Executive Yuan stated that such illegitimate action must be strictly curbed. In case of dissatisfaction with the electric supply, the consumers concerned should submit a formal petition, containing concrete proposals for reform, to the local authorities.

Five N. E. C. Experts Proceed to Japan to Study River Conservancy

In addition to the group of staff members now investigating river conservancy developments in Europe and the United States, the National Economic Council has decided to dispatch another group of five to Japan to study the same problem. The five members are: Wang Hu-chen, Chang Lun-kwan, Wan Chin, Liu Nien-tse and Tu Yang-kai, who sailed for Japan this week. From Japan the group will proceed to Korea to continue their investigations, which will take altogether two months.

Uyeda's Visit to Jehol May Lead to New Invasion of Suiyuan; Dr. H. H. Kung Arrives in London

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Renewed Invasion of Suiyuan Feared, Skirmishes Already Occurring.**
2. **Birthday Anniversary of Genghiz Khan Celebrated in Kweihua, Peiping.**
3. **Dr. Kung Arrives in London, Says China Welcomes Foreign Co-operation.**
4. **Kawagoe Deprecates Haste in Attempt to Readjust Sino-Japan Relations.**
5. **Resignation of Gen. Yang Hu-cheng Accepted, Will Shortly Tour Abroad.**
6. **Attempt Made on Life of Gen. Liu To-chuen, Tungpei Army Commander.**
7. **Gen. Chiang Arrives at Hangchow, Returned Son Reunited With Mother at Fenghua.**
8. **Wang Says "China Is Resisting Japanese Aggressions But Not Anti-Japanese."**

Considerable significance is being attached to the present visit of Lieut.-General K. Uyeda, Commander of the Japanese Kwantung Army, to Chengteh, capital of Jehol, according to a Kalgan despatch in the *Morning News* in Nanking May 3. The visit is stated to be the first one ever made by Lieut.-Gen. Uyeda since his assumption of the Kwantung Army post and is believed to have have far-reaching effects on the contemplated offensive of the "irreguiars" on north Chahar. The Kwantung Army commander, according to the journal, will shortly go to Chapser, the seat of the bogus Mongolian military regime nominally under Prince Teh. What is generally considered as a coincidence with the visit of Lieut.-Gen. Uyeda to Jehol was the arrival of heavy reinforcements of the "irregular" force at Nanchaochan and Shangtu during the last few days. Government troops on the front have been ordered by General Fu Tso-yi, Chairman of Suiyuan, to be on the alert.

Two more regiments of infantry, belonging to the Mongol "Irregulars," have recently been added to the forces at Shangtu, thus bringing the total number of regiments near that city to four, according to a *Central News* report. It is reported that the "irregulars" are having Hsingho district in eastern Suiyuan as their objective in their next drive into the province.

According to a *China Times* report, a total of 2,000 cases of Japanese ammunition has been shipped to Chapser from Jehol to be used for a renewed invasion of Suiyuan.

MINOR HOSTILITIES IN EAST SUIYUAN BREAK OUT

A minor clash occurred April 27 at Hungkehertu in East Suiyuan when over 10 cavalrymen tried to penetrate into the Chinese defence line, according to a *Ta Kung Pao* report. The Chinese troops encountered these irregulars for over 10 minutes, when the latter fled westward leaving one of their comrades dead. One Chinese soldier was killed also in the encounter. A major drive by the irregulars is expected in the near future, as over 3,000 "Manchukuo" troops have arrived in North Chahar from Manchuria to take over the garrison areas of the troops commanded by Gen. Li Shou-hsin.

GEN. FU INSPECTS SUIYUAN DEFENCES

General Fu Tso-yi, Chairman of Suiyuan, and concurrently Commander of the 35th Army, returned to Kweihua from an inspection trip to Pingtichuan, eastern Suiyuan, May 2. At Pingtichuan, he conferred with Lieut.-General Tang En-po, Commander of the 13th Central Government Army, and other army Commanders, regarding the strengthening of the defences in eastern Suiyuan.

With a view to financing the resistance against aggression in Suiyuan, the Suiyuan authorities will ask the Bank of China, the Central Bank of China and the Bank of Communications, for a loan of $5,000,000, according to Li Hung-wen, representative of General Yen Hsi-shan in Nanking. Mr. Li is shortly going to Shanghai to conduct negotiations regarding the loan.

ANTI-JAPANESE VOLUNTEERS CAPTURED PAOSHANTSENG

Paoshantseng, 60 kilometers northeast of Chiapengshih in North Manchuria was captured by the anti-Japanese volunteers on April 26, according to a belated reported received at Harbin. With the arrival of Japanese reinforcements in the evening, the volunteers retreated.

The irregulars under Hu Pao-shan, stationed in Paochang, Chahar, have revolted, as they refused to participate in the new invasion of Suiyuan.

Over 360 men of the irregulars formerly commanded by the bandit leader Wang Yin, mutinied at Paoyuan April 28.

BIRTHDAY ANNIVERSARY OF MONGOL CONQUEROR CELEBRATED IN KWEIHUA, PEIPING

The 775th birthday anniversary of Genghiz Khan (1162-1227), the Mongol warrior, was celebrated at an impressive ceremony at Kweihua May I, Prince Ah-La-LTan-O-Chi-Erh, Vice-President of the Yeghe Jo (Ordos) League and concurrently Vice-Chahairm of the Local Autonomy Political Affairs Commmittee of the various Mongolian Leagues and Banners in Suiyuan Province, officiated. General Fu Tso-i, Chiarman of the Suiyuan Provincial Government, was also present. General Fu, in paying tribute to the glorious deeds and martial spirit of Genghiz Khan, said the Chinese and Mongolian peoples should eliminate all racial boundaries and bring about a union of the five races—Hans, Manchus, Mongols, Mohammedans and Tibetans—so that the struggle for the freedom and equality of the nation may be achieved jointly. Celebrations were also held at Ichinhowlo, the legendary burial place of the famous Mongol.

Mongols in Pieping celebrated the birthday of the great Genghiz Khan at a meeting at the School for Mongols and Tibetans in the West City May 1.

KAWAGOE DEPRECATES HASTE IN READJUSTMENT OF SINO-JAPAN RELATIONS

"Under the existing circumstances, it would be futile to attempt a hasty readjustment of Sino-Japanese relations," Ambassador Shigeru Kawagoe told *Domei* April 30 at Kyoto. He, however, emphasized that there was no reason for despair regarding the future relationships between the two countries. Given "ample time" a solution could be reached, he said. China's resistance to Japan, he continued, is rooted in a desire "not to be outdone." "This resistance," he asserted, "must not be interpreted as an indication of China's readiness to plunge at once into a war with Nippon." Commenting on the reports of a rapprochement between the Kuomintang and the Communists, Mr. Kawagoe asserted that the former "does not intend to accept a compromise, which would treat the Reds on a basis of equality." Turning to the question of East Hopei, the ambassador said he believed that Japan could not be a party to settlement of the question, but could "only assist" in its solution. He said he heartily approved the recent tendency in Japan to secure a new concept of China. Mr. Kawagoe denied that he would resign his post, asserting that he had returned solely to report to the Central authorities on the situation in China.

A concrete plan for dealing with Sino-Japanese relations should be worked out as soon as possible by the Tokyo Government to untangle the present confused state of affairs between the two countries. This point was stressed by Mr. Kawagoe on his arrival at Tokyo May 1. "It is true that the Chinese are completely in accord with the abstract policies described by Foreign Minister Sato before the ast Diet," he said." But it is also true that they are anxiously awaiting the implementing of the announced principles into a concrete plan of action. "Upon how Japan will determine her actual policies depends to a large extend the future Chinese attitude towards Sino-Japanese co-operation," Mr. Kawagoe said.

Important meetings, expected to have a far-reaching effect on Japan's policy towards China, were initiated May 3 between Foreign Minister Naotake Sato and Ambassador Shigeru Kawagoe, reported *Domei* May 4. While no official statement on the nature of the one-hour conversation was issued, diplomatic circles believed that Mr. Kawagoe informed Mr. Sato of his views on the means of effecting Sino-Japanese rapprochement. The second meeting between the envoy and Mr. Sato took place May 5.

CAUTION, PATIENCE NEEDED IN DEALING WITH CHINA, SATO ADVISES

Patience coupled with caution is required in Japan's dealings with China, Naotake Sato, Foreign Minister, said May 3 on his return from a trip to western Japan. "You cannot deal with the China problem in haste," Mr. Sato remarked. "We must remember that it took Britain 10 years to regain her position of supremacy in China," he further said. "The Chinese appear to be anxious to have Japan assume the initiative in seeking a readjustment of the relations between our two countries," the Foreign Minister continued. Such a step may be effective if we both pursue a policy of give and take. But in view of the gravity of Sino-Japanese questions we must be careful."

Japan's new approach towards China was the subject of a striking article April 27 in the *Manchester Guradian*, which succinctly detailed the contrast of Japan's supremacy in 1931 with China's extraordinary revival and the formidable resuscitation of Russian strength in the Far East. When General Senjuro Hayashi, the Japanese Premier, formed his government in February, the newspaper states, even the army realised that it would be prudent to try a new approach. Despite a rebuke administered by the

military authorities to N. Sato, the Japanese Foreign Minister, for his statements of March 8 and 9 of Japan's policy towards China, which swept "aside the whole work of the predecessors," other more reliable signs, the journal proceeded, make it clear that Japan's rulers have really decided to adopt a more moderate policy towards China and a more conciliatory attitude towards the world at large. "The truth," the *Manchester Guardian* added, "is that events, over which the Japanese have no control, have forced a halt in an adventurous army policy. The real change is not internal but external.

GEN. SUNG CHEH-YUAN RETURNS TO PEIPING AFTER BRIEF VISIT TO KALGAN

After spending two days in Kalgan, General Sung Cheh-yuan returned to Peiping by the Peiping-Suiyuan Railway April 29. He was accompanied by Lieut.-General Liu Ju-ming, Chairman of Chahar. On his way back to Peiping, General Sung inspected the units of the 29th Army of which he is Commander.

Gen. Sung Cheh-yuan arrived at Tientsin from Peiping May 3, according to a *Domei* report.

With the conclusion of the maneuvers of the Japanese troops, the 29th Army under the command of Gen. Feng Tse-an will stage a series of maneuvers in the suburbs of Peiping, which will last for three days, beginning from April 29.

Fifty teachers and students from the Peiping Municipal School of Physical Training arrived at Tokyo on a tour of inspection, according to a *Domei* report.

Two Chinese farmers were recently arrested by the Japanese military authorities in Hankowtsong near Tientsin. The farmers are reported to be detained at the Japanese Gendarimes Headquarters in Tientsin, according to *China Evening News*.

The anti-Japanese movement sponsored by the students in Tientsin is being revived, says a Shanghai *Nichi-Nichi* report. The students are openly boycotting the goods imported from East Hopei as well as Japanese goods in general. On the one hand, the students encourage the Customs authorities in the prevention of smuggling and on the other, warn the Chinese merchants dealing with Japanese goods to discontinue their business.

PEIPING NEWSPAPERMEN'S PARTY TO JAPAN DENIES ALLEGATIONS

Allegations levelled by Chinese newspapermen's organizations in Shanghai, Nanking, Hankow and Canton that the party of the Peiping Chinese newspapermen who returned to Peiping April 30 from a four-week tour of Japan had received financial assistance from Japan or had visited Manchukuo, were denied by Chin Ta Chih, leader of the party, in a speech at a reception for local Chinese jounalists May 1. The reason why he and his colleagues travelled to Japan by way of Manchuria and Korea, he said, was because they wanted to reach Japan before the close of the World Newspaper Exhibition held in Osaka under the auspices of the *Osaka Mainichi* and *Osaka Asahi*. They stopped at Mukden only 15 minutes and did not leave the station for a single minute. All the travelling expenses of the members of his group, he declared emphatically, were defrayed by themselves, and they did not visit the East Hopei and Manchukuo sections of the International Exposition at Nagoya. Every movement and utterance of the group, he added, was made with full regard to the national position of China. The Peiping Newspapermen's Association issued a circular telegram to the country May 1, informing the public of the return of the party and saying that it did not stop at Mukden on its way to Japan last month.

WAR MINISTER HO YING-CHIN EXPLAINS NEW MILITARY APPOINTMENTS

With the transfer of the ex-Northeastern troops from Kansu and Shensi to the Honan-Anhwei region, and with new duties assigned to them, the administration and training of these forces will henceforth be under the direct control of the Central Government. Thus declared Gen. Ho Ying-chin, Minister of War, in an interview April 28 with the *Central News Agency* when commenting on the important military appointments made by the Executive Yuan April 27, which brought to a close the question of the eastward transfer of the Tungpei Army. As far as the question of personnel was concerned, Gen. Ho asserted, it would be handled in strict accordance with the personnel regulations now in force, so that the promotion, transfer and appointment of army officers may be systematized. On the administration question, the War Minister said that every effort will be made to pay the officers and men regularly under the "national crisis" scales and under the principle of non-reduction of original allowances.

The Military Affairs Rehabilitation Committee for Honan, Anhwei and Kiangsu which was created by the Executive Yuan April 27 will have its headquarters in Kaifeng, according to *Central News*. Gen. Liu Shih, Pacification Commissioner for Honan and Anhwei, who was named the chairman of the new Committee, is expected to convoke the first meeting of the Committee members on May 12, at which detailed measures concerning reorganization and rehabilitation of the troops stationed in the three provinces within the jurisdiction of the Committee will be discussep and decisions made. At a press interview in Kaifeng, Honan, April 29, General Liu Chih, stated that the Committee will be an advisory organ to the President of the Military Affairs Commission and will be responsible for making recommendations towards the readjustment of the military affairs of the three provinces.

GARRISON COMMANDERS APPOINTED FOR TWO RAILWAY ZONES

Lieut.-Gen. Huang Chieh, Garrison Commander for the Hsuchow-Haichow Area, has been appointed by the Military Affairs Commission to be concurrently Garrison Commander for the eastern section of the Lunghai Railway. Lieut.-Gen. Hu Tsung-nan, Commander of the First Army, has been appointed concurrently Garrison Commander for the southern section of the Tientsin-Pukow Railway.

As Gen. Yu Hsueh-chung has been appointed Pacification Commissioner of Kiangsu, his troops in north Anhwei will shortly be transferred to Tsingkiangpu and Haichow in north Kiangsu. Gen. Yu will establish his headquarters at Tsingkiangpu.

NEW MILITARY APPOINTMENTS FROWN UPON BY "MAINICHI"

The military appointments announced by the Executive Yuan April 27 are regarded by the Japanese authorities as an attempt to strengthen the Chinese first line of defence against Japan. According to *Shanghai Mainichi*, the Chinese Government has long decided to transfer the former North-eastern armies to Honan, Anhwei and Kiangsu, so as to bring them to the first line of defence in time of war against Japan. The completion of this transfer will further strengthen the military forces in Kiangsu, which has so far neglected. The new military appointments will consolidate the military forces in Honan, Anhwei and Kiangsu provinces, which will serve as a serious 'pressure' to the Hopei, Chahar and Shantung provinces.

KANSU GOVERNMENT AT STANDSTILL, NEW CHAIRMAN URGED TO ASSUME DUTIES

During the past week, a flood of telegrams have been sent out from Lanchow by various local public bodies to Gen. Ho Yao-tsu, newly appointed Acting Chairman of the Kansu Provincial Government, urging him to come to Lanchow to assume his duties. Government affairs in Kansu, these telegrams point out, have virtually come to a complete standstill since the outbreak of the Sian coup last December, and the whole province is now anxiously waiting for the new chairman to come to start the long overdue rehabilitation work.

Partial reorganization of the Kansu Provincial Government was decided upon by the Executive Yuan at its meeting May 4. General Ho Yao-tsu, acting Chairman of Kansu, was appointed concurrently Reconstruction Commissioner. Lo Kun-hua was named Commissioner of Civil Affairs. Chow Chieh-tao and Tien Kun-shan were given the posts as Secretary-General and member of the provincial administration, respectively. Tien Chiung-chin and Chen Tuan retain their posts as Commissioners of Education and Finance respectively.

Two hundred and twenty horses were presented by Gen. Ma Pu-fang, acting Chairman of Chinghai, to Gen. Chiang Kai-shek, President of the Executive Yuan, Gen. Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, Gen. Fu Tso-yi, Chairman of the Suiyuan Provincial Government, Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council and others. The horses have arrived here from Chinghai and will be sent to Peiping and Nanking respectively.

YANG HU-CHENG'S RESIGNATION ACCEPTED, WILL TOUR ABROAD

The resignation of General Yang Hu-cheng from his post as Pacification Commissioner for Shensi, was formally accepted by the Executive Yuan at its weekly session May 4. General Yang, who is now in Sian, is expected to fly to Shanghai shortly to make preparations for his forthcoming trip to Europe, when he will study military conditions on behalf of the Militry Affairs Commission. Before sailing from Shanghai at the latter part of this month, General Yang will visit Nanking again to seek instructions from the cen ral au hori ies.

Holding himself responsible for the Sian revolt, General Yang, in his telegram to Gen. Chiang Kai-shek April 29 requested that he be relieved of his post. The resigning commander also expressed his profound gratitude for the leniency of General Chiang towards his rash actions during the Sian imbroglio.

According to a *Ta Mei Wan Pao* report May 2, the Central Government has decided to give $100,000 travelling expenses to Gen. Yang and to appoint him as special investigator of military affairs in foreign countries.

YANG ISSUES FAREWELL MESSAGE TO NORTHWEST PEOPLE

Couched in sincere terms a farewell message has been issued by Gen. Yang Hu-cheng to the people in the Northwest in view of his forthcoming investigation trip abroad. Gen. Yang gave a reception May 1 to bid farewell to Sian officials and representatives of public organizations. In his message Gen. Yang expressed himself as being most happy to see the realization of national unity under the guidance of Generalissimo Chiang Kai-shek, and urged the people of the Northwest to unflinchingly follow Gen. Chiang's

cadership in the task of national rebuilding. Though he had been forgiven by the Generalissimo for his unbecoming conduct in the Sian affair last December, Gen. Yang said, he would not feel easy at heart until he could repay him with conscientious service to the nation. It was prompted by this desire, Gen. Yang explained, that he had decided to take a trip abroad to investigate military developments in the various foreign countries, so that when he comes home he may serve his country with better qualifications.

KUOMINTANG-RED AGREEMENT SAID REACHED AT SIAN ON APRIL 26

As a result of the negotiations between representatives of the Central Government and Chow En-lai, representative of he Chinese Communists in Sian, an agreement was reached on April 26, reported *Shanghai Nippo*. Although no details of the contents of the agreement are available, it is reported that it provides for the organization of a special committee with Chow En-lai as chairman to reorganize the Red Armies. Regarding the problems of garrison areas of these former Red armies, it is believed that both the Communists and Nanking are of opinion that they will remain in their present position. The agreement provides further the problems of abolition of the Soviet districts as well as the impending visit of Chu Teh and Mao Tse-tung to Soviet Russia.

According to *Shanghai Nippo* the Kuomintang and the Social-Democrats in China will co-operate in the future. Shen Chun-ju, leader of the National Salvation Association and also leader of the Chinese Social-Democratic Party, who was arrested by the Nanking Government some months ago, will be released in the near future. It is reported that Mr. Shen's son, Shen Yung-yi in a telegram to Gen. Chen Min-chu, leader of the Social-Democratic Party and former chairman of the Fukien People's Government asked:

(1) Whether the restoration of freedom to his father will affect or not the activities of the Chinese Social-Democrats, and

(2) Whether Gen. Chen Min-chu will return to China or not under the present situation of co-operation between the Kuomintang and the Social-Democrats.

DR. KUNG ARRIVES AT LONDON, SAYS CHINA WELCOMES FOREIGN COOPERATION

China, in her gigantic task of rural, industrial and economic reconstruction, will welcome the co-operation of her friends, Dr. H. H. Kung, China's Special Ambassador and Chief Delegate to the British Coronation, told the London press on his arrival at the British Capital May 3. Dr. Kung, together with Admiral Chen Shao-kwan, Deputy Delegate, was welcomed at Dover by Admiral the Hon. Sir Herbert Meade-Featherstonhaugh, representing King George VI. The Chinese Ambassador, Quo Tai-chi, and several high officials of the British Government. On arriving at Victoria at 3.30 p.m., Dr. Kung accompanied by Admiral Chen, Admiral Meade-Featherstonhaugh, and Mr. Quo, rode in one of the King's carriages to Lanham Hotel, the official residence of the Chinese Delegation. In his statement to the press, Dr. Kung said that he was happy at having been given the pleasant duty of representing the Chinese Government and people at the Coronation. He wished to take the first opportunity to convey a message of felicitations from Chinese people to the British Empire. "Sino-British relations," Dr. Kung said, "have always been friendly and cordial. During the last tew years, we have had occasion for active economic co-operation with a view to stabilizing trade and financial conditions, which were calculated not only for the mutual benefit of the two countries, but also for the general benefit to all." Under the leadership of Generalissimo Chiang Kai-shek, Dr. Kung said, China has reached such a degree of financial equilibrium and political unity as she has never known before. Efforts, he continued, are now being concentrated on economic, industrial and rural reconstruction. In this gigantic task, Dr. Kung emphasized, China welcomes the co-operation from her friends. With a view of furnishing the first-hand information to assist the Chinese Government and guide it in its new program of reconstruction, Dr. Kung said that he proposed to investigate and study the economic and industrial progress in this part of the world after the Coronation. "China," Dr. Kung concluded, "realizes her growing responsibility in the maintenance of peace in the Far East. She will endeavor, as she has always endeavored in the past, to contribute her full share toward this cause."

Dr. H. H. Kung and his party passed through Berlin afternoon of May 2 en route to London. Cheng Tien-fang, China's Ambassador to Germany, Colonel Thomas, representing German Defense Minister Blomberg, Counsellors Voss and Balser, representing the German Foreign Ministry, and other officials greeted the special envoy.

Dr. H. H. Kung arrived at Prague from Vienna morning of April 29. Dr. Kung was greeted at the railway station by the representatives of Czechoslovakia's Foreign Minister, the Presidents of the Sino-Czechoslovakia Society and the Oriental Institute, the Honorary Chinese Consul, Oldrick Busek, at Prague and many other leading officials and residents. Dr. Kung, immediately after his arrival, proceeded to the Alcorn Hotel for a medical examination. Dr. Kung called on President Benes in the afternoon in his private capacity and later on Premier Hodza.

Earl Leaf, correspondent for the *United Press*—at the headquarters of the Chinese red troops at Yennanfu, northern Shensi province. Those in the picture, *Left to right*, Mao Tse-tung, well known Chinese communist commander; Mr. Leaf; Chu Teh, another well known red leader; and Miss Yeh Fan-kwei, Chinese young woman student at the "Anti-Japanese" university in Yennanfu. Articles by Mr. Leaf, whose name in Chinese is "Li Fu" have been extensively printed in China and abroad. Mr. Leaf is manager of the *U. P.* bureau in Tientsin.

Dr. H. H. Kung visited Vienna April 28, accompanied by Admiral Chen Shao-kwan, Deputy Delegate; Dr. C. Kuangson Young, and Mr. L. T. Chen, Secretaries of the Mission. Although on an informal visit to see medical specialists, Dr. Kung was welcomed at the railway station by a large group of Austrian officials including Count Orsint Rosenberg, Minister Plenipotentiray Chef du Cabinet and Director of the Protocol Department of the Foreign Office, who represented Chancellor Kurt Schuschnigg, and Doctors Krieger and Zimmermann, representing Finance Minister Neumayer, who is away at Geneva.

ATTEMPT MADE ON LIFE OF GEN. LIU TO-CHUEN, TUNGPEI ARMY COMMANDER

The bullet lodged in the chest of General Liu To-chuen, Commander of the 49th Army, during an attempted assassination in Nanyang, Honan, April 28 was extracted night of April 29 at the Orthopedic Hospital of Shanghai, and his condition was improving steadily, reports *Central News Agency*. General Liu, accompnaied by his wife who was also slightly wounded in the right hand, arrived at Shanghai April 29 by a special Eurasia plane for medical attention.

Details concerning the attempted assassination of Lieut.-General Liu To-chuan are reported to be as follows: One of General Chang Hsueh-liang's close subordinates, Lieut.-General Liu was wounded on the right chest at his Army Headquarters in Nanyang, south-western Honan, at 6 a.m. April 28. Mrs. Liu also suffered slight injuries. Both were rushed to Shanghai by an Eurasia Airplane April 29 for medical treatment. It is lerant that the would-be murderer named Wang Chao-hsiu, was a captain of the Special Affairs Corps attached to the 49th Army. When Lieut.-General Liu was preparing to set out to inspect his troops morning of April 28, Wang Chao-hsiu sought an interview with his chief on the pretext that he had important matters to report. At the request of Wang Chao-hstu, Lieut.-General Liu ordered his adjutants to withdraw. Wang then produced a ridiculous note to Lieut.-General Liu for perusal at the same time pointing his gun at his chief. Seeing that Lieut.-General Liu was enraged at his insubordination, Wang opened fire and wounded his chief. The firing awakened Mrs. Liu who went to the rescue of her husband. She was also fired at and wounded. One of the adjutants, Wu Wen-hsiang, who was outside, then rushed in and immediately shot and killed the would-be assassin. It stated that Wang had been bribed by

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Britain Aids in Financing Strategic Railway Systems in South China

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

AMONG the foreign Powers with interests in the development of China it seems most evident that Great Britain is going to take the lead in the future economic development of South China, including the supply of vast quantities of British materials for the construction of a number of railways in South China. The contemplated railways are the Canton-Whampoa Railway, (an extension of the Canton-Hankow Railway which is expected to be finished by August or the end of July, when it will be ready for service to the public), the Canton-Meihsien Railway (which will be finally linked with the privately owned Swatow-Chaochowfu Railway); the Samshui-Hohsien Railway (which will link Kwangtung and Kwangsi by rail); and the Kweilin-Hengchow Railway, connecting Kwangsi's new provincial capital with the leading commercial center in southern Hunan, Hengchow.

The writer has learned from the most reliable quarters that British capital is going to help in most, if not every one, of these contemplated railways. In this connection it is recalled that it was the British fund secured from the Boxer Indemnity Fund which made possible the early completion of the Canton-Hankow Railway last September, which was fully one month ahead of the scheduled time for the opening of this gigantic Central and Southern China rail link. Subsequently the same railway purchased many of its cars and locomotives from British firms. It is known that because some of these engines are still under construction the formal opening ceremony of the Canton-Hankow system will be postponed until the arrival of the new cars and locomotives, when the foreign and Chinese public will be invited to inspect the line. Originally the formal opening was fixed for the previous Chinese National Day, Oct. 10, 1936.

A few days ago it was announced in a Canton official newspaper that next month the Southern Government will start construction of the Canton-Meihsien Railway. The same report adds significantly that British materials will be purchased for this contemplated line. The building of this railway will take about two years, as a number of tunnels and bridges will be required, the railway having to cross the East River in a few junctions. It will be about 210 miles long, passing through various important eastern Kwangtung districts such as the Lo Fao Shan mountain (famous summer resort of foreigners in Kwangtung and Hongkong), Poklo, Waichow, Hoyun, Lung Chun Hsien, Laolung, Hingninghsien and finally Meihsien, which is near the Fukien-Kwangtung frontier.

Railway Has Strategic Importance

The building of this railway will greatly improve communications between Kwangtung and Fukien and it has been pointed out by the officials in the South that it has great military importance, because in the event of war troops can move much quicker from Fukien to Kwangtung for the defence of the many hundreds of miles of the southern coast. Great progress has been made in Fukien in the building of motor roads, which will serve the useful purpose of filling up the gaps where there is no railway. When the Canton Government firstly contemplated the building of this railway it was thought that it should be kept along the coast of Kwangtung, heading straight for Swatow, instead of Meihsien which is in the interior, but such a route would expose the line to the attack of hostile naval bombardment, as has been pointed out by military experts, and consequently the route was changed to pass the more inland districts.

The recent numerous Sino-Japanese quarrels and "incidents" at Swatow, where a Japanese policeman was murdered some months ago by smugglers and where Korean smugglers were involved in numerous disputes with the Swatow City Government until recently, undoubtedly influenced the Chinese railway builders to avoid Swatow as the final terminus of the Canton-Meihsien railway. For the building of this system the Chinese Government will spend a total of about $60,000,000. A fifty-cents-per-picul on surtax salt which was imposed in Kwangtung recently, will be allotted to cover the expenses required for the intitial expenditure of this railway. Engineers, of whom many were educated in British Universities and the Hongkong University, between last December and March made two surveys of the line. Nearly fifty engineers and survoyers and hundreds of laborers participated in the work.

It is intersting to note that though British money, British material and British technical advice materially helped in the building of South China Railways, the two chief superintendents of the ambitious railway building program are both American educated returned students, namely Tseng Yang-fu and H. H. Ling (Ling Hung-hsun). H. H. Ling is the well known Civil Engineer who obtained his higher structural and engineering education with the American Bridge Company. He was solely responsible for building the last section of the Chuchow-Shiukwan section of the Canton-Hankow Railway last year and since 1936 he has been the Managing-Director of the Canton-Hankow Railway. Most recently he was invited jointly by the Kwangsi and Hunan provincial governments to undertake the surveying of the Kweilin (central Kwangsi) and Hengchow system. The Kweilin-Hengchow railway will have an important bearing upon future commercial relations between South China and the French Tongking and Indo-China, because it is the railway builders' intention to start the line from Hengchow through eastern Kwangsi to Kweilin and end up on the Kwangsi-French Indo-China frontier town Lungchow, which at present is linked up with French Hanoi by a small railway.

Mayor Tseng Is a Railway Builder

Another Cantonese official who is a great power behind railway construction in the South is Tseng Yang-fu, Mayor of Canton and concurrently vice-Minister of Railways in Nanking. The Mayor is a product of the famous Pittsburg University, U. S. A. and as superintendent of the Canton-Whampoa Railway now near its completion, holds the concurrent post of Superintendent of the Whampoa Port Development and acting Treasurer to the Kwangtung Provincial Government. The last named post was Mr. Tseng's most recent appointment; it was made because of the absence, on account of illness, of T. L. Soong (younger brother of Mr. T. V. Soong) in Shanghai.

At the moment Mr. Tseng is giving most of his time to the building of the Canton-Meihsien Railway and the opening up of Whampoa as a first class sea-port of Kwangtung and perhaps to become a rival to Hongkong.

The Canton Government has just awarded the contract for the dredging of the Whampoa river, and building of a number of wharves and warehouses (at a cost of $3,000,000 national currency) to the Dutch firm, Netherlands Harbor Works, despite the keen competition of the British, American, Chinese, French and German tenderets. No Japanese firms competed for the contract. Indicating that the Canton officials are determined to finish a modern harbor at Whampoa at the earliest possible date is the inclusion of a clause in the contract with the Dutch firm in which it is stipulated that the Netherlands Harbor Works must finish the work by January 31, 1938. There is a penalty clause. It is presumed therefore that if the present ambitious scheme of the Canton Government is not hindered by adverse political and other factors by January 1938 Canton will have a harbor which can give accommodation to steamers of the 10,000, ton class. The dredging of the sandbars will be started immediately. The first wharf, measuring 1,800 feet, also contracted for by the same Dutch firm, will be completed in nine months. This wharf will be sufficient for the use of two steamers of the 10,000 tons class.

Of interest to Britain also is the fact that the Canton-Meihsien Railway will be linked with the Sino-British jointly owned Kowloon-Canton Railway at the Shektan station, which is about eighty miles from Kowloon. There is yet no news about the linking of the Canton-Hankow Railway and the Kowloon-Canton Railway, a possibility which has been under discussion for the past several years. Though Chinese officials denied that they had any information at all about this loop line, the construction of the road-bed of the Canton-Whampoa line, however, clearly shows that it will have to cross the Kowloon-Canton Railway. If a link is to be avoided with the partly-British-owned system then an overhead bridge will have to be built.

In a way the extensive economic rehabilitation in Kwangtung has brought much prosperity to Hongkong, because of the heavy purchases of British materials for railways and reservoirs in Canton and the numerous other Canton Government-owned factories and sugar refineries. The first shipment of steel pipes for the Canton waterworks (contract for which was signed by Tseng Yang-fu with British firms last November, involving $2,250,000 national currency) is expected to arrive in Hongkong en route to Canton next month from the United Kingdom, where the order for these has been placed by Messrs. Malcolm & Co., the well-known British firm. In all, some 35,000 feet of piping will be required. Half of this will be of steel supplied by the British concern and the other half will be of concrete of the special type furnished by the Hume Pipe (Far East) Company. The concrete pipes will come from the Hongkong factory. Expected shortly in Canton are the 3,000 tons of steel piles required for the building of the quay bund, and these are being sent from Germany by the contractors, the Netherlands Harbor Works Company.

Increased British trade with Canton certainly assisted much in improving Hongkong's import trade. It is shown by the Imports and Exports Department reports of Hongkong that the combined values of imports and exports of merchandise as declared during the first quarter of 1937, totalled $237.4 millions as compared with $174.2 millions, in the corresponding period of 1936.

Hongkong, April 28.

Terms for Floating £2,700,000 Railway Loan Announced at Nanking

To finance the building of Kwang-Mei (short Chinese name for the Canton-Meihsien line) Railway, the Ministries of Finance and Railways decided to issue bonds to the value of £2,700,000 on May 1. The new bonds will be known as Kwangtung Railway Bonds, bearing interest of 6 per cent per annum. Surplus salt revenue in Kwangtung province has been pledged as security of the bonds, which are to be completely redeemed in 30 years.

The issue of a 26th Year (1937) Kwangtung Provincial Railway Reconstruction Loan, amounting to £2,700,000, for the construction of the Canton-Meihsien Railway, was promptly authorized by the National Government in a Mandate May 1, following the passage of the Loan Regulations by the Legislative Yuan on the previous day. This Loan will be used primarily for the construction expenses of the Canton-Meihsien Railway. The surplus, if any, is to be used for the construction of a Hainan Railway (in Hainan Island). The interest is payable semi-annually on April 30 and October 31 each year.

It is provided that the fund specially assigned for reconstruction enterprises, appropriated from the increased portion of the Salt Revenue collected in Kwangtung, shall be set aside by the Ministry of Finance as sinking fund for the payment of interest of this Loan. In case the amount is insufficient, the Ministry of Finance shall make good the deficit accordingly. The receipts of the Canton-Meihsien Railway shall be set aside by the Ministry of Railways as sinking fund for repayment of the principal of this Loan.

The Loan is jointly sponsored by the Ministries of Finance and Railways. The proposed Kwangtung-Meishien Railway will facilitate communications in the south-east and the economic development of Kwangtung. Construction expenses for the proposed line are estimated by the two Ministries at between $45,000,000 and $50,000,000.

Chengtu-Chungking Railway Construction Postponed

The much-heralded construction of the projected Chengtu-Chungking Railway, the first railroad in Szechuen, has been indefinitely postponed as a result of the refusal of some landowners along the line to sell their property. Gen. Liu Hsiang, Chairman of the Szechuen Provincial Government, has ordered the authorities of four districts, through which the railway passes, to mediate between the railway administration and the landowners.

Peiping-Hankow Railway to Construct Branch to Laohokow

With the approval of the Ministry of Railways, the Peiping-Hankow Railway will shortly commence the construction of a branch line between Hwahsien, a station on the Peiping-Hankow Railway in northern Hupeh, and Laohokow, north-western Hupeh. The proposed line, which is 333 kilometers long, will be known as the Hwahsien-Laohokow branch of the Peiping-Hankow Railway. When it is completed, goods from Shensi can be transported direct to Hupeh by rail.

Construction of Extension of Lunghai Line Will Not Start Next Month

Press reports stating that the actual construction work on the Tiensui-Paochi extension of the Lunghai Railway will be started in June were denied by responsible officials of the Lunghai Railway in Sian May 2.

No Difficulty Seen in Raising Funds for Construction of Yunnan-Kweichow Railway

Financial circles in Nanking and Shanghai having signified their readiness to invest in the project, no difficulty is seen in the raising of the necessary funds for the construction of the Yunnan-Kweichow Railway, according to Miao Yun-tai, general manager of the New Yunnan Development Bank, who recently completed arrangements with Chang Kia-ngau, Minister of Railways, in Nanking regarding the building of this $100,000,000 line. The projected railway, measuring about 980 kilometers in length, will be jointly built by the Ministry and the Kweichow provincial Government.

Sian-Tiensui Motor Bus Service Inaugurated May 1

Motor-bus service between Sian (Shensi) and Tien-sui (Kansu) was officially inaugurated May 1. A fleet of six buses has been assigned for this route by the Shensi Highway Bureau.

China Will Have to Import Large Quantities of Foreign Wheat This Year

China will have to import large quantities of foreign wheat this year, because of the poor harvest, the *China Evening News* of April 27 stated. No less than 40,000 tons of foreign wheat were imported in recent months for the local flour mills.

Ministry Spokesman Says Tientsin-Shihchiachuan Railway Should Not Be Built

Questioned in Nanking April 30 regarding the proposed Tientsin-Shihchiachuang Railway by the Northern authorities, a spokesman of the Ministry of Railways, in an interview, said there is not the least necessity for building such a line. Economically, he said, the proposed line, which will run parallel to the northern section of the Tientsin-Pukow Railway, will violate the general principles for railway construction. Moreover, with the roadbed of the Tsangchow-Shihchiachuang Railway already long completed, the Ministry, to save time and construction expenses, firmly favors the construction of the latter line instead of the proposed line. The construction work should be placed under the direction of the Ministry of Railways. This standpoint of the Ministry has been made known clearly to the Northern authorities, the spokesman added.

Japanese See Projected Shihchiachwang Railway as Step Towards Cooperation

The projected construction of the Tientsin-Shihchiachwang Railway should serve as the first step in the direction of Sino-Japanese economic co-operation in China, the *Shanghai Mainichi* said May 3. "Instead of useless arguments about domestic problems, such as the relations between the Nanking Ministry of Railways and the Hopei-Chahar Council, Nanking should make clear the relation between the projected railway and Sino-Japanese co-operation," the daily declared.

Terms for Payment of Outstanding Railway Bonds Announced

The proposal concerning the readjustment of the outstanding bonds of the Hukuang Railway Loan of 1911 amounting to about £5,650,000—jointly submitted by Dr. H. H. Kung, Minister of Finance, and Chang Kia-ngau, Minister of Railways—was approved by the Executive Yuan April 27. The proposal provides for a reduction in the interest to be paid in 1937-38 and the amortization plan is modified. Interest is to be paid at the rate of 2½% per annum in 1937-38 inclusive and 5% per annum thereafter. Payment of interest is to be made out of net earnings of the railway and guranteed out of Salt Revenue. Interest due as from January 1, 1941, is to be guaranteed also out of Customs revenue with rank as from April 5, 1937. Amortization is to begin in 1941.

Automobile Club Chairman Is Optimistic Concerning Road Development in China

An optimistic view of the future in regard to roads in China and the development of the facilities for drivers was taken in the report read by H. Tiefenbacher, chairman of the committee, at the annual general meeting of the Automobile Club of China held at the offices of Messrs. Beck and Swann in Shanghai May 1.

Mr. Tiefenbacher said that during the past year free legal advice and road emergency services were inaugurated, thus adding greatly to the amenities which the club is able to offer to its members, and, as the result of the club's representations, temporary motor car licences are now available in the Settlement and Concession for outport members visiting Shanghai. Another valuable concession which the club had been able to obtain for its members is the reduction in freight rate for motor cars transhipped temporarily from Shanghai to Ningpo. In spite of these facilities, however, the natural development of motorists taking week-end trips to the country south of Ningpo is hampered by the fact that only one of the Ningpo steamers can take a saloon car, and then only one at a time. Shanghai is placed disadvantageously for motoring. Except for the hills at Zose and Soochow there are no other beauty spots easily accessible, he added.

Municipal Council Chairman Franklin Is Guest of St. George's Society

Cornell S. Franklin, the new Chairman of the Shanghai Municipal Council was the guest of the Committee of the Royal Society of St. George at the monthly luncheon at the Shanghai Club April 29. E. S. Wilkinson, the President of the Society, in greeting Mr. Franklin said he could not help showing signs of commiseration with his guest on the difficult task lately imposed upon his shoulders. He added there was every reason to be confident in the ability of the new Chairman, for was it not on record that he had been appointed by President Woodrow Wilson to be a Judge at a younger age than any other previous occupant of that position. Circumstances had brought Mr. Franklin to Shanghai and those circumstances would now give him full opportunity for the exercise of his own personal qualities and for testing the virtues of his famous namesake's devices.

In reply, Mr. Franklin paid a warm tribute to the spirit of England as embodied in St. George's Society, and he ventured to do this because, apart from a Netherlands ancestor and a Scottish grandmother, his blood was entirely English.

China Tea Corporation Formally Inaugurated at Nanking

The China Tea Corporation, Ltd. (*Chung-Kuo Cha-Yeh Ku-Fen Yu-Hsien Kung-Ssu*), a joint Government-private enterprise, was formally inaugurated in Nanking May 1. Wu Ting-chang, Minister of Industry, presided at the inaugural ceremony. After the Regulations governing the Corporation were adopted, ten Government nominees for the Board of Directors were announced as follows: Dr. Chou I-chun, Administrative Vice-Minister of Industry; Chang Yi-ou, Director of the Commercial Department of the Ministry of Industry; Wu Chio Nung, of the Ministry of Industry; Liu I-yen, Provincial Commissioner of Reconstruction for Anhwei; Yang Mien-chung, Provincial Commissioner of Finance for Anhwei; Kung Hsueh-sui, Provincial Commissioner of Reconstruction for Kiangsi; Chen Ti-cheng, Provincial Commissioner of Reconstruction for Fukien. Wang Chen, Provincial Commissioner of Reconstruction for Chekiang; Wu Ting-yang, Provincial Commissioner of Reconstruction for Hupeh; and Yu Chi chuan, Provincial Commissioner of Reconstruction for Hunan.

The Shanghai head office of the China Tea Company will formally begin to function around May 10.

The company has been capitalized at $2,000,000, half of which has been paid up. It is a semi-official enterprise with the Ministry of Industry subscribing $600,000 of its capital. The Anhwei Provincial Government paid $400,000 while the provincial authorities of Kiangsi, Chekiang, Fukien, Hunan, and Hupeh paid $200,000 each. Although only half of the capital has been paid up the company has decided to open for business at an early date.

T. B. Chang Organizes Antimony Plant in Changsha

T. B. Chang, former manager of the *China Times* and the *China Press*, made a visit to Changsha some time ago for the purpose of organizing an antimony factory near the antimony mining districts here. Capitalized at $3,000,000, it is expected that the factory will produce over 10,000 tons of antimony a year.

General Appointed Manager of Peiping Power Company

Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, has appointed Gen. Liu Yu-fen, one-time governor of Kansu, as general manager of the Peiping Power Company, succeeding Feng Shu who has been relieved of the post. The transactions of the company will henceforth be handled by the National Industrial Bank of China instead of the Salt Bank.

Construction of Whampoa Harbor to Start This Month

All survey work having been completed for the building of the Whampoa Harbor near Canton, construction work is to be started in May, including the building of wharves, godowns, roads, and a railway to connect Canton. The Kwangtung Provincial Government and the Central Government have decided to finance the project. Before the issuance of the bonds amounting to $7,000,000 by the Central Government for the building of the harbor, a loan of $3,000,000 will be arranged with the Central Bank of China, the Bank of China and the Bank of Communications.

Coal Mining Company at Huapao Makes Good Profits

With a daily production of 1,000 tons of coal the Ming Company at Huapao in southern Shantung has earned a monthly profit of $90,000 during the past few months, according to Chang Hung-lieh, Reconstruction Commissioner of Shantung, who returned to Tsinan from Tsingtao April 30.

China Vegetable Oil Refinery to Have Branch in Nanchang

Plans are being made by the China Vegetable Oil Refinery or establishing a branch in Nanchang. The results of negotiations now being carried on between Chang Chia-chu, Manager of the Refinery, and government and public leaders in Nanking regarding this project are stated to be very satisfactory.

British Firms Awarded Contracts for £543,255 by Chinese Government Commission During 1936

The British members of the Chinese Government Purchasing Commission were warmly thanked for their free and valuable assistance, by Quo Tai-chi, the Chinese Ambassador, at the annual meeting of the Commission in London April 29. The report for the year ending December 31, 1936, showed that contracts were placed with British firms to the value of £543,255. Payments amounted to £939,202, including goods ordered in 1935, and Administrative expenses totalled £7,088, or .755 per cent of the year's expenditure. Considerable purchases were made last year, including £95,000 worth of gates, bridges, and operating machinery by the Huai River Conservancy. The total expenditure since the Commission began work has reached £4,225,881.

Chang Chang-ou Appointed Director of Fruit Testing Bureau

The Ministry of Industries May 3 announced the appointment of Chang Chang-ou, technical expert of the Bureau for the Testing and Examination of Commercial Commodities, as Director of the newly created Fruit Testing Bureau.

Japanese Cotton Mills Increase Wages of Employees

Acting with dramatic suddenness, the Japanese Cotton Mill Owners' Association in China on May 3 decided to raise the wages of 45,000 hands employed by its member-mills. The increase ranges up to 10 per cent and has already gone into effect.

Bank of Communications to Invest $1,000,000 for Development of Kwangtung Silk Industry

An agreement has been reached between the Bank of Communications and the Kwangtung Provincial Bank for the investment of $1,000,000 to develop silk industry in Kwangtung Province.

Development of Flowered Silk Industry Described by K. C. Barker

Kenneth C. Barker, delivered an interesting and instructive lecture dealing with Chinese flowered silks, outlining the romance and facts concerning their manufacture, before members of the Shanghai Art Club April 30. He said the first picture of a Chinese loom in existence comes from Shantung in B.C. the 1st Century, and this loom was found last year to be still in use in Shantung by Father Licent of Tientsin, who has made so many valuable contributions to ethnological studies of North China.

Wenchow Paper Mill Machinery to Be Purchased from England

The machinery for the projected Wenchow Paper Mill will be purchased from England following the signing of the $4,000,000 loan contract between the founders and the British Boxer Indemnity Committee. It is stated that the quality of paper manufactured so far in Wenchow is superior to the paper imported from Switzerland.

Thirty Million Dollars Worth of Foreign Timber Imported Into China Annually

The average annual value of foreign timber imported into China during the past five years amounted to more than $30 millions, according to the Customs statistics. The forest area in China is given by the Ministry of Industry at 91 million metric mow, occupying nine per cent of the country's total area. One-third of the forests are in Manchuria, now under alien occupation.

Chekiang Plans Development of Hangchow Harbor at Cost of $100,000,000

The Chekiang Provincial Government is planning to develop Hangchow Harbor at a total cost of $100,000,000. Pei Lan-tu, noted engineer, has been invited by Dr. Chu Chia-hwa, chairman of the Chekiang Provincial Government, to go to Hangchow to make preliminary surveys and estimates in regard to the harbor development plan.

Cotton and Silk Control Committees to Be Directed by Ministry of Industry

The Cotton and Silk Control Committees of the National Economic Council will henceforth be directed by the Ministry of Industry, according to the *Ta Kung Pao* of April 29.

Japan to Build Woollen Factory in Shanghai

A certain Japanese company has decided to build a woollen factory in Shanghai, according to industrial circles. Capitalized at $10,000,000 the factory will attempt to dominate the woollen market in the city.

"Made in China" Labels to Be Affixed to Goods for Indo-China

"Made in China" labels should henceforth without exception be affixed on all Chinese-made goods exported to French-Indo-China, according to circulars issued by the Ministry of Industries April 28 to all the chambers of commerce through the various provincial reconstruction departments. The order, it is learned, was issued upon the request of the Ministry of Foreign Affairs.

New Buildings to Be Erected for Chinese Courts in Shanghai

New buildings will be erected at Shanghai for the 3rd branch of the Kiangsu Provincial High Court and the 2nd Special District Court, both of which function in the French Concession, according to a decision reached at a meeting of the Judicial Yuan last week.

Death Occurs of Dr. W. S. New, Well-Known Chinese Physician, in Shanghai

Dr. W. S. New, Superintendent of the Chung Shan Memorial Hospital and head of the Orthopedic Hospital of Shanghai, died of nephritis at his home in Shanghai May 4 at the age of 46. The funeral will be held May 8.

Born in Shanghai on June 14, 1892, the son of the late Shang-show New, who was one of the early Chinese students sent to America, Dr. New received his education at St. John's Middle School and later at the university. He went to America where he studied at Harvard Medical School, receiving his M.D. degree in 1914. Returning to China the following year he took charge of the department of anatomy at Harvard Medical School in Shanghai. He went to America again in 1916 where he practiced in several, hospitals in Boston and Baltimore. In 1918 he came back to China again to take charge of orthopedic surgery at the Peking Union Medical College, which office he held till the summer of 1920. In 1928 he founded and organized the Orthopedic Hospital of Shanghai, the only hospital of this nature in the Far East.

Tremendous Development of Japanese Cotton Spinning and Weaving in China

(Translated from March 13 and 20, 1937, issues of the Toyo Keizai Shimpo, Tokyo)

SPINNING interests of Japan have been making inroads on North China, and their activity has become all the more pronounced since last year. Not a few companies are building factories or are enlarging their existing plants, and others will follow their example. Then there are still others who have taken over the plants of the Chinese. Accordingly, the scale of their enterprises is expected to be doubled in the near future. The result is that it will not only pave the way for greater activity in the cotton industry in the aforesaid territory but it will have a far reaching influence on the same business in Japan and in China.

Such an advance on the part of the Japanese spinners may be ascribed, first of all, to the great commercial possibilities in China. There, the production cost is low. The raw cotton necessary can be supplied from native crops. The demand for cotton goods is increasing. These advantages are more striking in North China, and still better, some other factors have recently cropped up to prove as an incentive to the activity there of the Japanese spinners, as follows:

(1) The scale of the spinning industry in Japan is reaching a limit, despite various attempts to improve factory equipments, to better the quality and diversify the grades of products, as well as to enlarge business spheres.

(2) Tax burdens are likely to be increased in Japan and controlled economy intensified. Japanese spinning industries —presently are free from control of the Chinese Government.

(3) By founding their own factories in China, the Japanese spinners can effectively cope with boycott by Chinese and tariff barriers.

(4) The political situation has been stabilized to a great extent in North China.

(5) The activity of spinning interests has been promoted by the necessity of facilitating the so-called North China program.

(6) The native cotton crop has been on the increase.

The growth of the Japanese spinning business in China can be ascertained from the following figures at the end of last December: spinning frames totalled 1,900,000 spindles; doubling frames 360,000 spindles; and weaving looms 26,000 units. These represent 15.9, 31.1 and 27.5 per cent respectively of the corresponding figures in Japan. If the doubling frames and weaving looms were converted into spinning frames at the ratio of 1-3 and 15-1 respectively, the spindles would total 2,414,000, or 17.6 per cent of that of Japan. It is significant to point out that these plants are operating at full capacity while the spinning firms in Japan are enforcing a 26.2 per cent production curtailment. Detailed figures calculated by the Japanese Spinners' Association in China at the end of last year (excepting factories in Tientsin and the Kwantung leased territory and Manchukuo) are quoted below in comparison with the corresponding figures of the cognate body in Japan:

	Spinners in Japan	*Japanese Spinners in China*	
		Number	*Ratio in %*
Spinning frames in spindle	11,965,584	1,897,740	15.9
Doubling frames in spindle	1,166,720	363,266	31.1
Looms in unit	95,813	26,388	27.5
Spinning spindles (converted) ...	13,751,585	2,414,649	17.6

That these Japanese plants are playing an important role in the spinning industry in China can be seen from an investigation made by the Chinese Spinners' Association which points out that in March, 1936, 37.6 per cent of the total spinning frames, 67.4 per cent of the doubling frames and 47.7 per cent of the weaving looms in all China belonged to Japanese spinners. If the doubling frames and weaving looms were converted into spinning frames on the aforementioned basis, Japanese-owned plants would reach a total of 2,300,000,0 or 40 per cent of China's total. Further, the efficiency of the Japanese spindles is far superior to those of the Chinese plants. Details follow:

	Spinning Frames		*Doubling Frames*		*Weaving Looms*	
	Number of spindles	*Ratio in %*	*Number of spindles*	*Ratio in %*	*Number of Units*	*Ratio in %*
Japanese interests	1,828,824	37.6	338,256	67.4	24,358	47.7
Chinese —,,	2,809,561	57.7	156,846	31.3	22,627	44.4
English ,,	227,148	4.7	6,360	1.3	4,021	7.9
Total	4,865,533		501,462		51,004	

The Japanese spinning plants are concentrated in two cities, Shanghai and Tsingtao. Those in the former represented about 70 per cent of the total at the end of last year, according to the investigation of the Japanese Spinners' Association in China. Shanghai's position as the leading city in the spinning business remains unchallenged but the recent development has been less striking in that city than in Tsingtao. Detailed figures indicating geographical distribution are as follows:

	Shanghai		*Tsingtao*		*Total incl. Others*	
End of	*Spinning frames, spindles*	*Weaving looms, units*	*Spinning frames, spindles*	*Weaving looms, units*	*Spinning frames, spindles*	*Weaving looms, units*
1925—	976,332	5,312	237,544	1,109	1,234,212	6,340
1930—	1,109,421	9,172	344,300	2,869	1,478,477	12,341
1933—	1,314,260	13,282	367,780	4,865	1,706,856	18,438
1934—	1,336,612	13,998	404,284	5,478	1,765,712	19,776
1935—	1,352,012	15,518	492,484	7,114	1,869,312	22,932
1936—	1,349,720	17,298	523,204	3,790	1,897,740	26,388

In North China, including Shantung, Hopei, Shensi, Shansi and Honan provinces, spinning frames totalled 1,036,000 spindles and weaving looms 12,000 units in March last year, representing respectively 21 and 24 per cent of China's total. And these plants are concentrated practically up to more than 90 per cent in the two provinces of Shantung and Hopei. Details from the investigation of the Chinese Spinners' Association made in March, 1936, follow:

	Spinning frames, spindles	*Doubling frames, spindles*	*Weaving looms, units*
Shantung	622,640	26,680	8,025
Tsingtao	562,440	28,860	7,785
Chinan	60,200	——	240
Hopei.....	304,527	13,016	2,310
Tientsin	234,132	11,016	1,310
Total	927,167	39,696	10,335
Total in North China	1,036,191	43,208	12,167
Total in all China.....	4,865,533	501,462	51,004

Tsingtao is the first center of this industry in this part of China. Nine of the 10 firms are operated by Japanese interests, and most of them are in turn being controlled by mother firms in Japan, either in the form of independent companies or branch factories, while some are in fact independent establishments invested by Japanese. The spinning frames of these Japanese interests totalled 523,204 spindles, doubling frames 38,762 spindles and weaving looms 8,790 units at the end of last year. The only Chinese firm has 48,044 spinning spindles, 10,640 doubling spindles and 371 looms, thus putting the city's total to 571,248 and 49,402 spindles and 9,161 units respectively. Details of the Japanese firms follow:

	Spinning frames, spindles	*Doubling frames, spindles*	*Weaving looms, units*
Kanegafuchi Spinning	107,152	9,240	3,218
Dai Nippon ,, ...	101,192	14,136	2,160
Naigai Cotton	90,400	8,000	—
Nisshin Spinning	42,660	3,746	520
Fuji ,, ...	31,360	1,600	480
Nagasaki ,, ...	43,632	2,040	—
Shanghai ,, ...	40,448	—	720
Toyota ,, ...	35,640	—	540
Doko ,, ...	30,720	—	1,152
Total.....	523,204	38,762	8,790

The situation is different in Tientsin. Out of the seven firms operating in that city in March last year, only one was Japanese controlled, that of the Ito-chu Trading interests of Osaka. But the operating conditions of these Chinese firms had been rather unfavorable due to their decreasing commercial opportunity in Manchukuo, civil warfares, flight of capital from the north to the south, "special trade," and the recent inroads made by spinning interests in Shanghai and Tsingtao. Consequently three were taken over by Japanese interests during the past year, and there now remain only three Chinese establishments. There is another firm in Tangshan, a city along the Peiping-Shanhaikwan Railway, which is operated jointly by the Toyo Spinning Company and Chinese interests. These firms with their respective factory equipments are given below:

Japanese Firms	*Spinning frames, spindles*	*Doubling frames, spindles*	*Weaving looms, units*
Kanegafuchi	71,360	976	1,000
,, ...	30,272	—	—
Toyo Development & Ito-chu	27,028	2,520	—
Ito-chu	39,747	2,380	—
Total	168,407	5,876	1,000
Chinese Firms			
Hengyuan Spinning	35,440	3,230	310
Peiyang Spinning	27,056	—	—
Tasheng Spinning	3,230	1,820	—
Total	65,726	5,140	310
Grand Total	234,133	11,016	1,310
Tangshan Huahsin Spinning ..... (at Tangshan)	26,800	2,000	500

In Chinan, there were only three Chinese companies in March, 1936, with spinning frames totalling 60,200 spindles and weaving looms 240 units, and there was no Japanese establishment.

The activity of the Japanese interests might well be said to have passed the first stage of development and now to be on the threshold of the second stage of expansion, inasmuch as many spinning firms have decided or intend to enlarge existing plants or to build new ones. Five have arrived at a decision to expand their present factories in Tsingtao, involving 215,250 spindles and 4,640 looms, some of them having already started construction works. The Toyo Cotton Spinning Company, which has bought a lot of land, is expected to follow the example. The plans of the said five companies are:

	Spinning frames, spindles	*Weaving looms, units*	*Date of completion*
Dai Nippon Spinning	35,000	840	Sum., 1937
Kanegafuchi ,, ...	26,450	1,000	June, 1937
Shanghai ,, ...	51,800	1,000	Oct., 1937
Nisshin ,, ...	47,000	950	May, 1937
Doko ,, ...	55,000	850	End of 1937

In Tientsin, the projects are more numerous. Many firms have already decided on concrete plans for taking over Chinese establishments, or enlarging their own plants or building new ones. These plans have been worked out in a hurry in order to forestall the business of the Tientsin Electric Power Company, because it is more profitable to generate power in isolated plants than to buy it from the power company, and they have also been accelerated by the increasing political stabilization. Chief projects, involving 455,000 spindles and 8,700 looms in all, are tabulated below,

	Spinning frames, spindles	*Weaving looms, units*	*Date of completion*
Toyo Spinning	50,000	1,000	June, 1937
Dai Nippon Spinning	75,000	1,000	?
Shanghai ,, ...	50,000	1,000	Oct., 1937
Tientsin ,, ...	30,000	700	June, 1937
Fukushima ,, ...	50,000	1,000	Oct., 1937
Go-u ,, ...	50,000	1,000	End of 1937
Kishiwada ,, ...	50,000	1,000	?
Kurashiki ,, ...	50,000	1,000	2nd half, 1937
Wakayama ,, ...	50,000	1,000	?
Total	455,000	8,700	

Besides the above, the Toyo Spinning Company intends to expand its plants to 200,000 spindles and 4,000 looms; the Dai Nippon interests will start their second program upon completion of the above project; Kanegafuchi is expected to enlarge its factories by 20,000 or 30,000 spindles and 1,000 looms; and the Tangshan interests too will follow the example. Then it is said that there are some firms, without plants at present, which will make entry into this field, for instance, the Kinkwa, Hinode, Fuji and Tokwa Spinning Companies.

Although the activity of Japanese interests is as yet limited to Tientsin and Tsingtao, the advance into inner localities, for instance Chinan, is not impossible.

Such being the case, it will not be long before the spindlage held by Japanese will reach the level of one million both at Tientsin and Tsingtao and accordingly will be doubled. At the end of 1935, spindles of Japanese interests there totalled no more than 520,000 with eight establishments in Tsingtao and one in Tientsin. The corresponding figure at the end of last year showed an increase of by 160,000 spindles, as one firm had been founded in Tsingtao and three had been taken over from the Chinese in Tientsin. An increase of by 670,000 spindles is expected in the current year, bringing up the total to 1,350,000 spindles.

Shanghai Bankers to Build Cotton Mills in Hunan and Szechuen

Preparations have been completed by the Kincheng Banking Corporation and the Min Sen Industrial Company to build a cotton mill in Pahsien, Szechuen. Capitalized at $3,500,000, the plant is expected to be ready for operation next spring. Cotton produced in Shasi and Ichang in the western part of Hupeh will be used by this mill. Tseng Hsiang-hsi, technical expert has been appointed as factory manager of the mill. The new plant will be known as the Chia Ning Cotton Spinning and Weaving Factory.

Another company known as the Heng Chung Cotton Spinning and Weaving Factory, has been organized in Shanghai with Pei Sung-sen, manager of the Shanghai office of the Bank of China as chairman of the board of directors and Wu Chi-chun, Commissioner of Reconstruction of Hunan Provincial Government, as member of the Standing Committee of the Board of Directors. This company will build a cotton mill in western Hunan.

Japanese See "Menace" in Chinese Development of Spinning Industry

In noting the fact that China will establish spinning mills in five leading cities the *Asahi's* correspondent in Shanghai wired April 26 that this move constitutes a big menace to the Japanese spinning industrialists.

Banks to Advance $2,400,000 to Farmers for Cotton Plantation

Negotiations have been completed between the representatives of the Min Sen Bank of Shantung and the Bank of China to advance $2,400,000 to the farmers in Shantung for the development of cotton plantation. It is reported that according to the agreement, the Bank of China will advance $2,000,000, while the Min Sen Bank will advance $400,000.

Japanese Cotton Mill Owners Voice Opposition to Increased Consolldated Tax

Japanese cotton mill owners in Shanghai are voicing opposition to the increase of consolidated tax on cotton goods by the Chinese Government. The opposition raised by Japanese cotton mill owners is considered unwarranted in Chinese circles as it is pointed out that the increase of consolidated tax on cotton goods applies to foreign merchants of all nationalities engaged in the cotton trade in China.

Manchester "Guardian" Criticizes Shanghai Consular Corps for Laxity on Labor Legislation

Commenting on the final report of the Textile Conference which met recently in Washington, which describes in violent terms the exploitation of hand labor in the international concessions in China, the Manchester *Guardian* April 30 protested particularly against the inaction of the Consular Corps in Shanghai and their failure to obtain normal working conditions. Although the journal regrets that the Textile Conference failed to arrive at an international convention for the reduction of hours of work in the textile industry, it believes that the Convention made an important step towards industrial cooperation, which will bear fruit in the future.

Japanese Officer Kidnaps and Assaults Russian Waitress in Manchuria

The Harbin correspondent of the *Shanghai Evening Post*, writing on April 20, related how a Russian girl was mishandled by a high Japanese military officer, the girl being now in Harbin, badly bruised. This girl was serving on the express from Harbin to Manchuli, on which there were a number of foreign passengers, going through to Europe by the trans-Siberian express. At Tsitsihar station an important Japanese military man boarded the train; from the fact that he was saluted at every station along the line where the train stopped, it was evident that he held a high position.

The Russian girl served him at the dinner hour, and on concluding his repast, he asked her to bring him a bottle of beer to his private compartment after she had finished her work in the dining car. On doing so, he attempted to detain her, but owing to her screams, the whole of the passengers rushed out into the corridor, the first thing they saw being the Japanese conductor of the car on his bended knees imploring the general to leave the girl alone. Seeing the commotion that had been caused and the black looks of the foreign passengers, the military man let the girl go and slammed himself into his own compartment.

On reaching Manchuli, the Russian girl, with another one, went to stay the night in the room allotted to them at the hotel, but she was not permitted much rest, as two orderlies with an interpreter, came to her room, requesting her to come to the general's room at his house at once. As she remained obdurate and refused to go, they left the building, and she thought she was now safe. But no, within an hour two more officials arrived with orders to arrest her, and taking her along with them, they forced her into the general's private room, where her screams were of no avail. In the morning the unfortunate girl was permitted to go and take a train back to Harbin, her face badly scratched and her life ruined, and of course unable to return to her job.

400 Moscow Girls to Begin New Life in the Far East

Tass reports that 400 girls left Moscow by special train for Komsomolsk-on-Amur in answer to the appeal of the wife of a Red Army commander, Valya Khatagurova, which was lately published in the press. All the girls—workers in Moscow factories, plants and institutions—are going to work in enterprises of the Soviet Far East. Thousands of friends and relatives gave the girls a warm send-off.

Yuan Dynasty Village Found Under Old Bed of Yellow River

An ancient village, believed to have been inundated during the disastrious flood in the 25th year of the Yuan Dynasty, has just been discovered under the old river bed of the Yellow River. The army of workmen who were engaged in dredging the river bed a few days ago at Nantachiao, near Hsuchow, dug to a point where they found several old houses. In these establishments were found a large quantity of porcelain and bronze articles, all well preserved through the ages. A number of human bones were also discovered. This ancient town is believed to be part of the village of Hsuchow.

Shanghai Municipal Council Will Pay Hut Dwellers Each Fourteen Dollars

An agreement was reached April 30, between the "squatter colony" occupying several thousand straw and mud huts in the Yangtszepoo (Eastern) District, for the peaceful demolition of 476 huts which the Council has decided must be demolished this month. Twenty-two representatives of the hut dwellers concerned handed to T. K. Ho, Assistant Secretary of the Council, an undertaking that they would voluntarily demolish the huts concerned before May 6 and remove the waste straw and bamboo stricks. The Council is making a "compassionate" grant of $14 a hut, which will be paid to the dwellers of each hut themselves on presentation of a certificate of demolition signed by a representative of the Public Works Department. No payment will be made until all the 475 huts have been demolished. Should any hut not have been demolished by May 6 the hut dwellers have agreed that such hut may then be demolished by the Public Works Department without opposition.

T. K. Ho

By this agreement a peaceful solition has been reached regarding a matter which last week had caused a tense situation. Frustrated in an attempt to hold a demonstration on Sunday, some four thousand of the hut dwellers made another attempt the following day, only to be met with a demonstration by one platoon of the Russian Regiment of the S.V.C. equipped with machine guns, in addition to the usual police force. The demonstrators, being unable to make any headway against such a display of force, desisted, and instead decided to send a delegation of 22 to the Council. The petitioners visited T. K. Ho, Assistant Secretary of the Council, and as a result of negotiations, the compromise, as above mentioned, was arrived at.

The Shanghai Municipal Council by making this so-called "compassionate" grant to the hut-dwellers has adopted a palliative method of settling the matter, instead of adopting a forward-looking policy. Not only has the Shanghai Foreign Municipality not set an example, as it ought to have done, to Chinese Municipalities, in the way of providing cheap accommodations for the poorer classes of the community; it has not even followed the example of many Chinese Municipalities in furnishing such quarters in "model villages," Notable among the Chinese Municipalities that have done so are Greater Shanghai, Nanking, Tsingtao and Tientsin.

The Kwangtung Provincial Government is the lastest to fall in line, it having appropriated $1,690,000 for the construction of several villages for the poor people in Canton.

In this connection reference to the report issued in March by the General Survey Sub-Committee, at the head of which was S. H. Peek, is *apropos*. The Peek report called attention to the paradox that in the Settlement overcowding in insanitary quarters within the Settlement existed side-by-side with thousands of vacant Chinese houses. It was also mentioned that the Council's powers of supervision had been allowed to go by default. Laudatory reference was incidentally made to the Greater Shanghai Municipality's housing schemes.

Reviewer in "Chinese Recorder" Says Straw Huts Number 40,000

The May issue of *The Chinese Recorder* contains a review by M. T. Tchou, of the a book entitled, "the Growth and Industrialism of Shanghai, by D. K. Lieu. The reviewer criticizes the statement made by the author that there are 4,000 or 5,000 straw-mud huts in the Shanghai area. The reviewer expresses the opinion that the figure is nearer 40,000. Mr. Tchou also estimates the number of ricsha pullers in the Shanghai area at 90,000, as against the 32,000 or 33,000 estimated by Mr. Lieu.

Japanese Submit Plan on Outside Roads to Shanghai Municipal Council

Noritake Yoshioka, acting Japanese Consul-General in Shanghai, May 4 communicated to Stirling Fessenden, secretary-general of the Shanghai Municipal Council, a comprehensive plan for the administration of the extra-Settlement areas. Dealing not solely with the issue of tax collection on houses fronting on extention roads, the Japanese proposal, according to *Domei*, includes provisions regarding policing, sanitation, fire control, health and public utilities. The Japanese plan was discussed at meeting of the Council this week. The Shanghai *Nichi-Nichi* reported that the Consular Body had discussed the outside roads issue at a meeting earlier in the week.

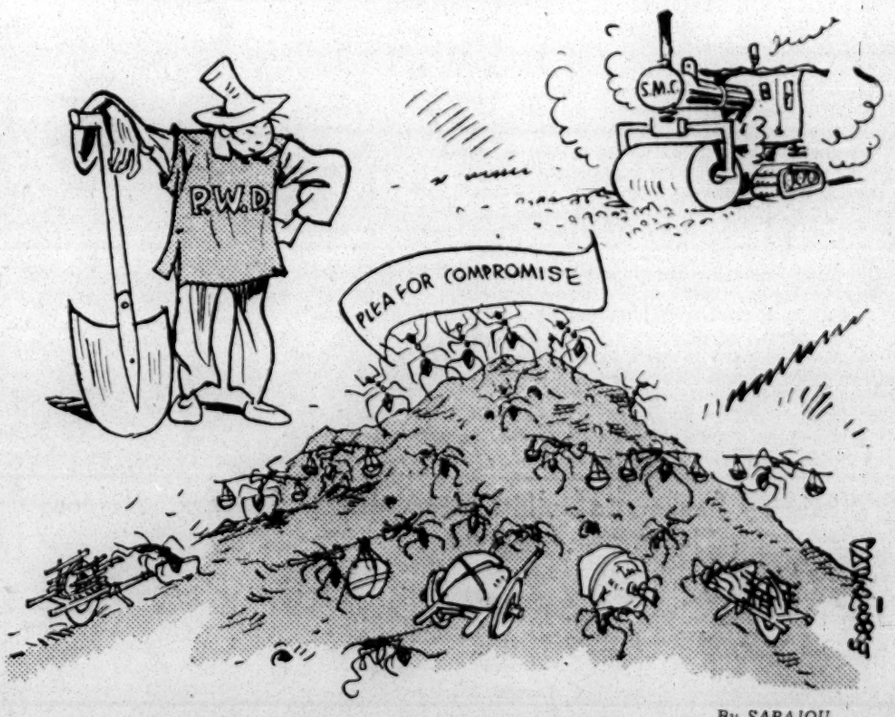
The Japanese project was communicated to Mr. Fessenden in keeping with an agreement reached between the local Japanese authorities and the S.M.C. on April 19 when Mr. Yoshioka filed his objections to a tentative agreement for the collection of taxes on outside roads.

The Japanese contention is that the tentative accord reached recently between the S.M.C. and the City Government does not take into account the interests of Japanese residents in the outside roads area.

U.S. Army Planes Plan Coronation Dash to London

A surprise goodwill flight to London for the Coronation is being planned by the United States, according to the *Seattle Times*. The flight, it says, will be made by three of the world's largest bombers, and the Army pilots and crews who will take part in it are under secret orders here.

IS THIS THE REAL SHANGHAI ATTITUDE?



By SAPAJOU

The above cartoon, published in the "North-China Daily News," leading British newspaper, on April 30, was labeled, "To Be Razed According to Program." The ants shown swarming over a garbage heap apparently were intended to represent the thousands of impoverished Chinese peasants who flock to Shanghai from the interior and live in straw shacks which they construct in squatter fashion on vacant lots on the outskirts of the city. Recently the Settlement authorities, announcedly for sanitary reasons, but actually because of pressure from real estate interests, decided to destroy the squatter villages and compel the inmates, wives and children of coolie laborers, to move elsewhere. Finally, however, the Municipal Council relented and decided to pay the squatters the sum of $14 (equivalent to U. S. $4.05) for each house, following which it will be burned. No provision has been made for housing the inmates by the Settlement authorities although the local Chinese Municipality of Greater Shanghai has done considerable in the construction of low-priced houses for refugee peasants.

First U. S.-to-China Air Mail Arrives in Shanghai One Day Late

The big C. N. A. C. Sikorsky, which connected with the *Hongkong Clipper* in the first trans-Pacific flight to China, landed at Lunghwa Airdrome near Shanghai April 30. It brought some 7,000 flight letters for Shanghai residents and a unique gift for Madame Chiang Kai-shek. The gift was a half-dozen small peach trees, mailed to China's First Lady, via Clipper, by Luise Rainer, star of the film version of "The Good Earth."

Delegations from the American Chamber of Commerce and the Chinese-American Trade Council were on hand to greet the plane. Among the welcomers were Messrs. Wang Hsiao-lai, T. S. Miao, W. Plant, C. S. Franklin, James Howes and others.

The *China Clipper* took off from America for Honolulu on the afternoon of April 21 and arrived at Manila on the afternoon of April 27. Here the mail was transferred to the *Hongkong Clipper*, and landed at Hongkong on the morning of April 28. There the mail was transferred to the Sikorsky, which took off for Shanghai on Thursday morning, but was forced to stop overnight at Foochow, this causing the first through trans-Pacific air-mail to arrive one day late.

A. B. Park, A.A.U. Officer, First Through Air Passenger to U. S.

The first through air passenger to the United States left Shanghai May 4 when the China National Aviation Corporation's Sikorsky airliner took off for the South, taking A. B. Park, vice-president of the American Asiatic Underwriters and a prominent American insurance man in the Far East. Mr. Park's destination is New York to which he will travel all the way by air.

Eurasia Aviation Corporations Plans to Extend Line to Hongkong

R. Walter, Technical Manager of the Eurasia Aviation Corporation, visited Hongkong this week to make arrangements with the authorities in the Colony for landing Eurasia planes there. In planning its Hongkong service, the Eurasia is doing so with an eye to a future direct air route between China and Berlin. The groundwork now being laid will enable the Eurasia to route its planes southward from Canton, via Hongkong, Hanoi, India and thence to continental Europe.

Two Nanking Planes Make Forced Landing—One Pilot Badly Wounded

Two fighting planes, which left Foochow, April 26, made a force landing at Wuhsienlin, where they encountered a dense fog. One pilot was reported to have been badly injured.

Chinese Aviator Flying to Shanghai Calls at Singapore

The first Chinese pilot flying his own machine to land in Singapore from overseas arrived there April 29. He was Khouw Kee-hian, who is making a flight from Batavia to Shanghai.

Liuchow Aviation School Celebrates Third Anniversary

The third anniversary of the establishment of the Kwangsi Aviation School was celebrated at Liuchow, central Kwangsi, April 29.

Japanese Navy Produces Airplane Gasoline

Complete success in the manufacture of synthetic gasoline suitable for use by airplanes was been achieved by the Navy's chemists, the Tokyo Admiralty announced April 28. Following extended experiments, the Naval Fuel Depot at Tokuyama, Shikoku, has succeeded in refining crude gasoline, derived from crude oil by a hydrogenation process, the communique said. A spokesman of the Navy told the press that the success of experiments guarantees Japan's self-sufficiency in the manufacture of airplane fuel, which has hitherto been obtained in the United States. The discovery, he said, will be of inestimable value in time of war. Synthetic gasoline, he claimed, is "cheaper and better" than the American airplane gasoline.

Sister Plane of "Kamikaze" Passes Tests at Nagoya

Rigorous tests were passed with flying colors April 28 by the *Asakaze*, the newly built sister-ship of the monoplane *Kamikaze* which earlier this month flew to London in 94 hours. The *Morning Breeze*, as the ship will be known, was built in the Nagoya plant of the Mitsubishi Heavy Industries Company for the *Asahi* chain of newspapers, which own the *Kamikaze*,—the *Divine Wind*.

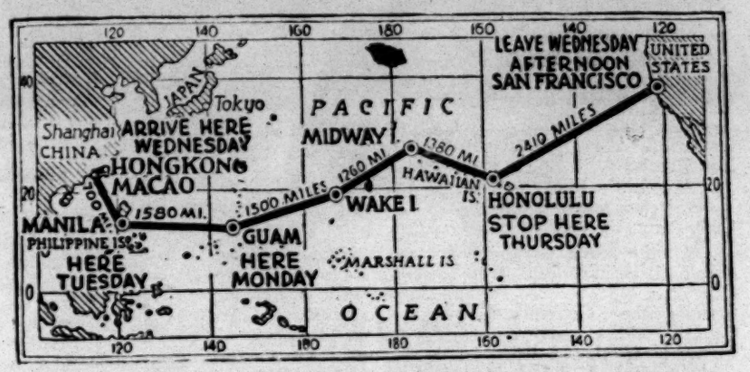
Japanese Admiral Welcomes Plans for Italian Flight to Japan

A hearty welcome will be extended Italian fliers should they carry out their planes for a mass flight to Japan (announced in Rome by Signor Giuseppe Valle, Under-Secretary of State for Air), Vice-Admiral Koshiro Oikawa, director of the Naval Aviation headquarters and former commander-in-chief of the Japanese Fleet in Chinese waters said in an interview in Tokyo April 28. Japanese Army circles joined their naval colleagues in expressing approval of the Italian plans to stage a mass flight and also to establish a regular air line to Tokyo.

Manchukuo Will Hold Air Defense Maneuvers This Summer

Domei states that air defense maneuvers on a nation-wide scale will be held in Manchukuo this summer under the direction of the Japanese Kwantung Army. Cooperating will be the General Affairs Board of the Manchukuo Government, the Japanese Embassy, the Kwantung Affairs Bureau, the South Manchuria Railway Company and other institutions and Governmental agencies.

SIX HOPS IN SIX DAYS ACROSS THE PACIFIC



Mail will leave San Francisco each Wednesday afternoon, arrive at Honolulu Thursday, Guam Monday, Manila Tuesday, and Hongkong and Macao the following Wednesday. This is a six-day service between San Francisco and China, since one day is lost in crossing the international date line west of Midway Island. Connections are made at Hongkong with Imperial Airways service for Singapore, India and Australia and with the Chinese domestic air line, also operated by Pan-American for Shanghai, Nanking, and Peiping. The rates between the United States and China, India, Australia, and New Zealand have been set at 70 cents (U.S. money) for each half ounce.

Japan Young Men's Aviation Association Formally Inaugurated

The "Japan Young Men's Aviation Association" (Dai Nippon Seinon Koku-Dan) was formally inaugurated on the evening of May 5 at the Soldiers' Hall, Kudan, on the occasion of the Boys' Festival, with General Ikutaro Inoue, chief of the Imperial Reservists' Association, as President.

U.S. 'Bird Man' Falls to Death Near Paris

Clem Shon, famous American "bird-man," lost his life at the Polygone de Vincennes, near Paris, April 25. While demonstrating one of his unique bird flights a crash occurred. Nearly 300,000 spectators looked on while he dropped gracefully from the cabin of the plane, fumbled for a few dreadful moments with two stubborn parachutes, and finally fell like a stone dizzily to earth. He died in an ambulance on his way to the hospital.

Soviets Cancel Deportation Order Against Seventeen Chinese

A *Domei* message from Moscow April 30 stated that threats of retaliation by Gen. Chiang Kai-shek, president of the Executive Yuan of the Chinese Government, had reportedly led to the cancellation of expulsion orders against 17 Chinese laborers in Soviet Russia. The Chinese were ordered to leave Russia within one week on April 26. No reason for the order was said to have been given. It was recalled that about 360 Chinese laborers were expelled early in April and sent to Shanghai from Vladivostok by the s.s. *Sever*. Since February last year, several thousand Chinese laborers have been expelled by the Russian authorities, who were said at one time to be planning to deport 40,000 more.

However, a Nanking message by the same agency the same day stated that responsible Government officials had denied that any threats of retaliation had been made by Gen. Chiang Kai-shek, President of the Executive Yuan, to secure the cancellation of the Soviet deportation above referred to.

Chinese Hawkers in Germany Protest Expulsions

A delegation of 10 Chinese hawkers was received April 28 by Dr. Cheng Tien-fong, Chinese Ambassador in Berlin, in connection with the alleged expulsion of large numbers of Chinese who were touring Germany selling pottery. While awaiting their interview with Dr. Cheng members of the delegation cried: "China should not tolerate this." About 20 Chinese have so far been expelled from Germany, it is understood, the police alleging that they did not possess passports. The hawkers denced the charge.

Anti-Government Parties Win Election, But Premier Hayashi Stubbornly Holds On

SECURING 179 seats, out of a total of 466, the liberal Minseito party, one of the two major political organizations in Japan, again has won the leading position in the Lower House of the Diet, as a result of the elections last week. The Seiyukai, its principal rival for supremacy, obtained 175 seats. More than doubling its previous strength, the proletarian Social Masses Party, returned 37 representatives. The surprising victory of the Social Masses Party, which held 18 seats in the last House, and the crushing defeat of both the rightist Showakai and the Kokumin-Domei were the features of the elections, showing the general disapproval of the people towards the Hayashi Government.

The Minseito lost 26 seats, principally to the Social Masses Party. Both organizations are strong in urban centers, while the Seiyukai's strength lies principally in agrarian districts.

The bureaucratic Showakai, at one time regarded as a possible nucleus for the organization of a strong pro-Government party, lost 5 seats.

Among the minor parties, the rightist Kodokai, Meirinkai and Yosekai each returned one candidate, as did the Japan Propertied Class Party, the only other proletarian group.

Another dark cloud has loomed on the charged Japanese political horizon to form an additional threat to the already-harassed Cabinet of Gen. Senjuro Hayashi, in the form of a sullen hostility towards the Government among members of the Privy Council, closest advisory organ to the Emperor. This disapproval of the policies of the Hayashi Government came to the surface May 1 during the second session of the Privy Council committee studying the Cabinet's draft for a State Planning Board. The Government's plan of securing funds required to operate the proposed board out of the Second Reserve Fund met with opposition from the members of the Committee on the ground that it would be unconstitutional. Replying to these attacks, Gen. Hayashi asked to be allowed to study the question over the week-end.

The Social Masses Party May 1 demanded the resignation of the Hayashi Government. Simultaneously, the Japan's leading proletarian political organization asked for the formation of a succeeding Cabinet that would make the readjustment of Japan's relations with China and the Soviet Union one of its primary tasks.

Seiyukai chieftains this week announced their intention to continue to co-operate with the Minseito, its former rival and currently a staunch ally, in combating the Government.

Refusing to be perturbed by the victory scored by the parties in the elections, high Army officials continue to discuss the advisability of dissolving the new Diet. This action, a high officer said, will depend solely on the degree of the parties' recalcitrance at the opening of the next session and on "their understanding of the current developments."

The Minseito, Seiyukai, and the Social Masses Party, were enraged by a statement of the Hayashi Cabinet making known its decision to stay in power despite the overwhelming reverse at the polls.

In sharp attacks of the Government's "self-complacent" attitude, Japan's three leading political parties May 3 called upon the defeated Cabinet of Gen. Senjuro Hayashi to tender its resignation. "If Premier Hayashi has only a shred of patriotism left in him, he will resign to allow the formation of a spiritually-united strong Cabinet," Yukio Sakurauchi, secretary-general of the winning Minseito party said. His sentiments were endorsed by Masazumi Ando, secretary-general of the Seiyukai, and Hisashi Aso, secretary-general of the Social Masses Party.

Undeterred by its defeat in last weeks general elections, the Government May 3 announced its intention to remain in power. A manifesto expounding the Government's stand was issued following an extraordinary meenting of the Cabinet. The statement expressed hope that the political parties, which won the election on an anti-Government platform, will understand the gravity of the situation confronting Japan, both internally and externally. The only way to overcome the difficulties, according to the manifesto, lies in the execution of reforms conforming to the trend of the times. The statement, however, deprecated both unduly conservative and radical measures.

Tokyo's metropolitan press May 4 unanimously voiced its disapproval of the Hayashi Government.

General Hayashi told the press on the night of May 3 that he would remain in office at least until after the opening of the extraordinary session, in August.

The Tokyo Cabinet May 3 began to map out a plan of action designed to save itself from ignoble resignation. Meanwhile, Premier Gen. Senjuro Hayashi is reliably reported to be planning to offer a Cabinet portfolio to each of the two anti-Government parties, the Minseito and the Seiyukai. The Cabinet posts available for distribution as political "bribes" are the Railways and Overseas Affairs portfolios.

Japan Stocks Rally Despite Fears of Unrest

Despite the general belief that the Government's defeat in the elections foreshadowed a political crisis, Tokyo stocks registered gains this week ranging between two and four yen.

Opposition Raised to Creation of New Intelligence Department

In connection with the decision of the Japanese Government to create a Planning Board and also the Intelligence Department of the Cabinet, (the latter as a means to strengthen the departments and bureaus under the Cabinet), the *Tokyo Yomiuri* April 25 stated that strong opposition has been raised among Upper House and Privy Council circles, to the proposed creation of the new information organ. Said circles criticize the new organ plan as one to create an organ characterized by bureaucracy and the "self-satisfaction" principle.

Pseudo-Religious Cult Banned in Japan—Leader in Osaka Prison

One of the strongest religious organizations in Japan,—the Hito-No-Michi Sect,—ended its existence April 28 with the issue of a ban on the cult's teachings. The Home Ministry's decree also ordered the immediate closure of the sect's headquarters in Fuse, near Osaka, and 120 temples throughout Japan. The branches in Korea, Manchukuo and China were also ordered closed. Tokuichi Miki, the 68-year old founder of the pseudo-religion and a Japanese "Rasputin," is now languishing in an Osaka jail, on charges of rape and *lese Majeste*.

Two Big Japanese Concerns Raise Workers' Wages

With the index of prices continuing to soar, two of Japan's largest industrial concerns May 1 voluntarily increased the wages of 120,000 of their employees. A ten per cent wage increase was given to 90,000 of its workers in 76 mills in Japan, Korea, Manchuria and China by the Kanegafuchi Spinning Company. The step will cost the concern additional Yen 1,800,000 a year. The Kanegafuchi Company is Japan's second largest cotton spinning firm. The Mitsubishi Heavy Industry Company also announced wage increases of 10 sen a day for its male employees, 5 sen a day for female workers.

Japan's Unemployed Number Only 340,855 Men as Result of War Industry Boom

With the munitions industry enjoying a period of unprecedented prosperity, the number of unemployed in Japan showed a decrease at the end of last year, to 340,855 persons, the Social Welfare Bureau of the Tokyo Home Office revealed April 30.

The peak of unemployment was reached in 1932, when 489,168 persons were reported to be out of jobs.

Tokyo Cabinet Decides to Create Price Control Commission

Creation of a price control commission, on which both consumers and producers would be represented, was formally decided by the Tokyo Cabinet April 30. The body will be headed by the Premier, with the Ministers of Finance, Agriculture and Forestry, and Commerce and Industry, acting as vice-chairmen. Also included on the body will be experts on finance, industry and trade. Attached to the commission, there will be a committee, consisting of about five officials and five civilians. The Director of the Social Welfare Bureau of the Home Office will also be a member of this body.

Japan's Foreign Trade Balance Continues Adverse

With imports reaching Yen 108,155,000 and exports totalling Yen 100,872,000, Japan's foreign trade in the last ten days has resulted in an adverse balance of Yen 7,283,000. The total unfavorable balance since the beginning of this year now stands at Yen 396,242,000.

Admiral Okada Thanks Emperor for Special Favor

Admiral Keisuke Okada, who miraculously escaped death at the hands of military rebels on Feb. 26, 1936, April 30 emerged from his self-imposed confinement to express thanks to the Emperor for granting to him the court treatment of a premier.

Japan to Import Old Ships to Relieve Shortage of Shipping

The problem of a shortage of shipping bottoms was discussed at the Trade Cooncil Conference held at the Ministry of Commerce and Industry in Tokyo on April 22. The Tokyo *Asahi* says that in view of the fact that the imports of the principal industrial materials such as iron ore, scrap, sulphur and industrial salt, have been greatly hampered by the high freight rates, and that the advance in prices of commodities in the domestic market has been all the more stimulated by this situation, Commerce Minister Takuo Godo has recognized the necessity of alleviating the dearth of bottoms by importing old foreign ships.

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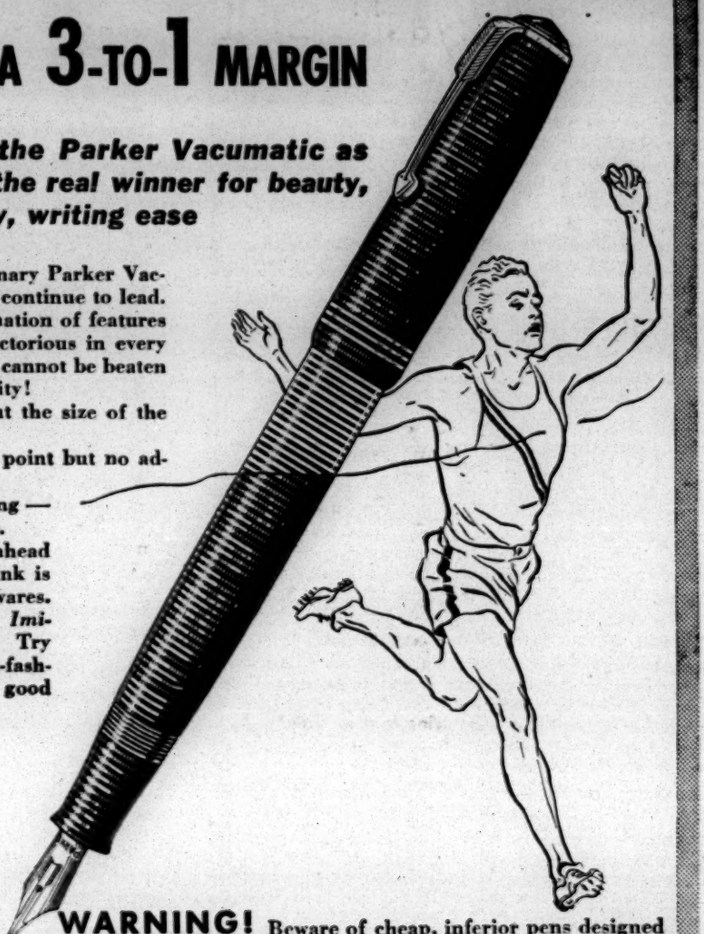

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Sato Says He Will Give Yureneff Political "Farewell Gift"

Foreign Minister Naotake Sato told the Tokyo press May 4 that he hoped to give Constantin Yureneff, Soviet Ambassador to Tokyo, who has been ordered to Berlin, a "farewell present in the form of a settlement of "at least one of the many pending Soviet-Japanese problems."

Kadono Trade Mission Leaves for United States and Britain

The Japanese economic mission to the United States and Great Britain, headed by Chokuro Kadono, the guiding genius of the vast Okura concern, departed from Yokohama, April 28 for San Francisco aboard the m.v. *Tatsuta Maru*. Officially, the mission's chief objective is to return the visits paid to Japan by the mission of the Federation of British Industries, in 1934, and of an American group, headed by Cameron Forbes, in 1935. More significant, however, will be the negotiations it will carry on with the officials and businessmen of the United States, Great Britain, Germany and other European powers. Included among the topics scheduled to be discussed by the mission are reciprocal tariff concessions between Japan and the United States, and the establishment of Anglo-Japanese co-operation in China.

The Tokyo *Asahi*, in wishing the mission bon voyage in an editorial, said that the problem of the readjustment of trade relations between Japan and the United States is comparatively a simple and easy matter. The journal expresses the hope that the Mission will succeed in reaching an agreement with American business men regarding, for instance, reciprocal tariff. In the opinion of the *Asahi*, however, trade relations between Great Britain and Japan are complicated and competitive in nature although most important. Consequently, the newspaper fears that the mission will find it difficult to arrive at a ready agreement with British business interests, although the mission is expected to do its best in harmonising trade relations between England and Japan from a broader and longer viewpoint.

Tokyo Art Critics Request Home Office to Allow "Picturesque Japan" Film to Be Shown Abroad

A group of art critics has decided to file a representation to the Tokyo Home and Foreign Offices requesting that the Japan propaganda film "Picturesque Japan," (which was criticized by officials of the Foreign Office and Home Office as "national shame picture" last year) be allowed to be exported abroad, because in the eyes of artists and art critics the film is worth being exhibited abroad as a film propagandizing Japan in its true light.

Dr. Hu Shih Says Cooperation Can Only Come After Political Obstacles Are Removed

Commenting on the Sino-Japanese problem at its present stage, an article written by Dr. Hu Shih, published in the magazine *Tu Lih Pin Lin* (Independent Critic), stated that Sino-Japanese political obstacles must be removed before economic cooperation is conducted.

Japanese Plan Expansion of Concession in Tientsin!

Reports are current in Nanking to the effect that the Japanese authorities have decided to expand its concession in Tientsin. According to Japanese plans, the Japanese concession will be connected with the French Concession in the east, with the Nanyinmen Road in the west, with Hsiangtzeho in the north and Lulitai in the south. It is further reported that the Japanese authorities have decided to purchase land in these areas in three stages. Great attention is being paid by the Chinese authorities to this illegal action of the Japanese. In an order to the people, the City Government of Tientsin has prohibited the people to sell land privately without the permission of the authorities.

Japanese Consul-General Denies Purchase of Land at Tientsin

Reports to the effect that the Japanese authorities have purchased large tracts of land adjoining to the Japanese concession in Tientsin secretly, for the purpose of expanding the concession were denied by the Japanese Consul-General April 30. According to the Japanese official, it is true that many tracts of land have been rented by Japanese authorities but no land has been purchased.

East Hopei Government Company Monopolizes Imports of Japanese Petroleum

The East Hopei Government has issued official permission authorizing the projected East Hopei Oil Company to monopolize the imports and sales of the Japanese petroleum products in the territory under the control of that Government as from June, and banning all other bodies to engage in similar activities. The new company, to be formally inaugurated soon, will commence positive activities with its headquarters in Tungchow.

Japan to Purchase More Changlu Salt

The Japanese vice-consul in Tientsin called on Li Han-hwa, director of the Changlu salt administration April 30 to negotiate for the purchase of another 130,000 tons of Changlu salt by the Japanese firms. It is reported that Mr. Li has promised to discuss the problem with the salt merchants before giving any reply to the Japanese authorities.

Japanese Company Decides to Exploit Coal Mines Along the Great Wall

After an investigation of the coal mines along the Great Wall, the Toyo Company has discovered that they are available for exploitation, as a result of which it has decided to appropriate a sum of $1,500,000 for the establishment of a new company for exploiting of these coal mines.

In view of the shortage of coal supply, the Political and Economic Affairs Study Association, which was organized by influential figures of Shanghai representatives of Osaka financial circles, has decided to send an investigation group to North China next September, in order to conduct a detailed investigation of the coal resources there for exploitation in order to increase the coal supply.

Japanese Troops Busy With Maneuvers in North China

Continued maneuvers staged by Japanese troops in Fengtai and in Peiping this week have caused considerable excitement among the local citizens.

Japanese Garrisons in North China Now Total 70,000

It is estimated that the total number of Japanese troops now stationed in Tientsin, Peiping and the demilitarized zone in Luantung, is around 70,000 men. The expenditure for the support of these troops exceeds Yen 15,000,000 yen per month.

Reactionary Organization Raided in Chengchow

Yet another reactionary organization was discovered in Chengchow on April 26, according to a belated report received in Peiping April 30, printed in the *Hwa Mei Wan Pao*, which stated that a number of traitors had been arrested. It was reported that they were asked by people of a certain country to assassinate anti-Japanese leaders and to disrupt the railway communications.

Peiping Mayor Says Sino-Japanese Cooperation Preferable to British

The Hopei-Chahar Political Council is "not willing to plan rapprochement with British capital, because the Council's policies are based on the principle of Sino-Japanese co-operation," according Gen. Ching Teh-chun, Mayor of Peiping, who in an interview with Japanese newspapermen in Tokyo April 29 commented on his conversations with W. M. Kirkpatrick, China representative of the British Export Credits Guarantee Department.

Gen. Chin also emphasized, according to the reports, that the Hopei and Chahar authorities do not intend to make Sino-Japanese co-operation conditional on the settlement of the pending political issues in North China. The official admitted that the Chinese authorities have as yet formulated no concrete plans for the settlement of the outstanding political problems. The crux of the matter, he reportedly declared, lies in the preservation of China's territorial integrity and sovereignty. The Chinese authorities, he added, expected the Japanese to make proposals "based on Chinese desires."

W. M. Kirkpatrick, special representative of the Export Credit Guarantee Department of the British Government, was entertained at a tea reception given in his honor by the Tientsin managers of the Bank of China and the Bank of Communications at the Bankers Club in Tientsin April 29. Sino-British relations, Mr. Kirkpatrick said, have always been cordial. Such relations could be further cemented by the promotion of the trade of both countries.

Floating of London Defence Loan Proves Failure

One of the blackest weeks the London Stock Exchange has known for many years came to an end May 1. The Government's decision to introduce the Defence Loan during a week of crisis is severely criticized in London financial circles. The loan proved a failure, only between £25,000,000 and £35,000,000 of the total of £100,000,000 being subscribed for by the public. The rest was taken over by Government departments. According to the City Editor of *The Times*, the Treasury appeared to have made the mistake of asking too high a price. Insurance and other interests are now hoping to obtain the loan at a moderate discount.

Chinese Customs Inspectors Beaten by Japanese Smugglers in Shanghai

Two Chinese Customs inspectors were badly beaten on the night of April 23, when inspecting smuggled goods on the s.s. *Nagasaki Maru* at Wayside Wharf, by Japanese and Korean smugglers. The injured men were sent to the hospital nearby for treatment while the seized smuggled goods, consisting of Japanese wine and artificial silk were sent to the Customs godown. It was reported in the *Ta Kung Pao*, April 24, that the leader of the principal smugglers concerned made a profit of $100,000 in the past months in illicit shipments.

Chinese Customs Makes Demand for Punishment of Ronins Who Assaulted Guards

Five demands are reported to have been presented to local Japanese consular authorities by the Chinese Maritime Customs in connection with the assault recently committed on the s.s. *Nagasaki Maru*, of Chinese Customs guards by Japanese and Korean "ronin" smugglers. The five demands are immediate cessation of the illegal activities of the Japanese and Korean "ronin" in China, heavy punishment of the assailants, compensation for the medical expenses of the assaulted Customs officials, a written apology and guarantee against recurrence of similar incidents in the future.

Chinese Customs Officers Make Appeal for Arms to Carry on Anti-Smuggling Work

The Chinese members of the Shanghai Customs House have issued an appeal to the public asking for support in the anti-smuggling drive and demanding that all officers be armed with weapons as a safeguard against possible attacks in the future. Representatives of the Chinese Customs officers called an emergency meeting last week to devise ways and means to protect their members against attacks in the execution of their duties. The manifesto declares that the Customs preventive officers have frequently been attacked with clubs and iron bars in the execution of their work. However, they are not afraid and will not retreat in the face of such dangers. The injuries sustained and the blood sacrificed by the Customs members, the manifesto went on to say, are indications of the determination of the Chinese officers to wipe out this illicit trade.

Tientsin Students Issue Manifesto Urging Armed Action Against Smugglers

The Students Union in Tientsin issued a manifesto April 27, urging armed action against the Japanese smugglers.

In order to faciliate the suppression of smuggling in the Tientsin area a branch Customs station was established at Paimiaotsun, on the Peiping-Tientsin Railway, April 27. Branch stations have also been established at Pailitai and Tayaotsun.

Smuggling from Kwangtung Province a Menace to China's Trade

A Chinese news agency in Hongkong reports that the Nanking Government is planning to take diplomatic action in connection with the smuggling menace in Kwangtung. Dr. Wang Chung-hui, the Foreign Minister, has ordered an investigation into the problem, it is stated, to gather evidence preparatory to taking action. Hongkong and Formosa are stated to be the two principal centres of smuggling. An enormous quantity of contraband is being smuggled from the New Territories into Kwangtung.

Recent investigations by the Hongkong *Telegraph* disclosed that the New Territories village of Sheung Shui, five miles from the border, was being utilized as headquarters by a smuggling gang which numbered hundreds of people. The principal commodities being smuggled into Kwangtung from Hongkong are kerosene, Japanese cement and waste paper.

South China Rice Importers Lose Heavily Owing to Delay in Allowing Free Imports

Recent advices from Hongkong stated that a loss of about $350,000 Hongkong currency was sustained by rice importers following the adverse decision of the Executive Yuan allowing 2,000,000 piculs of rice and an equal amount of paddy to be imported to South China duty free, as such exemption has not yet been put into effect. Rice merchants in Hongkong are disappointed that only 1,000,000 piculs are permitted to enter Kwangtung duty free, as the original decision was 2,000,000 piculs of rice and the same amount of paddy. As a result of this decrease, South China rice firms have suspended further orders from Indo-China, Siam and Rangoon.

First Batch of Duty-Free Foreign Rice Enters Canton

The acute rice shortage problem in Kwangtung, which has been hanging fire for the past six months, was partially solved April 29 when the first batch of foreign rice to enter the province free of duty, was permitted to be unloaded and distributed to the rice merchants in the city.

People Starve While Officials and Merchants Wrangle

While officials and rice merchants are wrangling over the ways and means in importing foreign rice to Canton, people in Lo Ting, South-Western Kwangtung, are starving or have to eat leaves and grass owing to the shortage of rice, according to a report from that town received in Canton April 27.

Rice Markets in Kwangtung, Annam and Siam to Be Investigated

Leading rice merchants and government representatives in Anhwei, Hunan and Kiangsi, have organized an investigation party to Kwangtung, Annam and Siam to study the rice markets there. The members of the mission will met in Wuhu April 30 to discuss the annual rice output in Anhwei, Hunan and Kiangsi and the amount of surplus rice, the rice shortage problem in Kwangtung and the volume of annual import and production, marketing and transportation of rice in Annam and Siam.

After studying the Kwangtung rice situation, Cheng Tien-ku, Political Vice-Minister of Industry, proceeded to Hainan island April 29 by airplane to inspect agricultural conditions.

Amoy Rice Merchants Walk Out Against Increase of Power Rates

Rice merchants in Amoy, April 3 declared a general strike as a protest against the increase of power rates by the Amoy Electricity works. They alleged that the power plant has cut off the electric wires of rice mills, making it impossible for them to continue operation.

Rice Sent from Hunan to Relieve Shensi Famine

Four hundred tons of Hunan rice ordered by the Shensi provincial authorities to relieve the serious famine in that province are being shipped north from Changsha. According to a conservative estimate, the total amount of rice stored in Hunan exceeds three million piculs.

Yunnan Motor Caravan Makes Successful Trip, But Railway Preferred

The Nanking-Yunnan Motor Caravan, which reached Kunming (Yunnanfu) on April 29, after traversing six provinces and covering a distance of 2,974 kilometers, was given a rousing welcome at a meeting attended by more than 2,000 representatives from government, Party and other public organizations in said city.

Presiding over the meeting, General Lung Yun, Chairman of the Yunnan Provincial Government, delivered a welcome address, in which he expressed the hope that members of the caravan would from time to time offer suggestions for the reconstruction of Yunnan, which has been regarded as one of the backward provinces in China. Replying, Dr. Chu Min-yi, Director of the party, said that Kunming and Nanking are now separated only by a distance of 106 1/2 hours. The success of the Expedition is a demonstration of the close unity now subsisting between the Central and South-western authorities.

While the Nanking-Yunnan motor-bus expedition was a noteworthy indication of progress, Yunnan must be linked to central China by a railway for the rapid transport of goods, according to General Lung Yun. His foreign friends, he continued, were surprised when the party reached Kweiyang, and later fifteen million people in Yunnan were beyond themselves with joy when the party arrived in Kunming.

Hopes that industrial leaders along the Yangtze will shift a part of the financial resources of the Yangtze Valley to the southwest, and to turn potentially rich Yunnan into one of China's industrial centers, were expressed by Gen. Lung Yun, in an interview at Kunming May 3. Gen. Lung showed a great deal of enthusiasm during the interview whenever the name of Gen. Chiang Kai-shek and the indefatigable effort of the Generalissimo in national rejuvenation were mentioned.

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Manchukuo Puts Key Industries Under State Control

Manchukuo's key industries were placed under a rigid state control by a law promulgated in Hsinking, May 1. Under the terms of the ordinance, which went into effect immediately, the management of all important industries was placed under a license system. The key industries which will henceforth be controlled by the Government include: manufacture of arms, ammunition, aircraft, automobiles, liquid fuel, iron, steel, aluminum, magnesium, lead, zinc, gold, and silver. Also to be controlled are coal mining, manufacture of woolen and cotton textiles, hemp and flax, flour milling and beer brewing, manufacture of tobacco, soda, fertilizers, cement, matches and oil.

Higashi Manchu Pulp and Toho Pulp to Be Merged Into Yen 30,000,000 Concern

The Higashi Manchu Pulp Company (Eastern Manchurian Pulp Company) recently approved the conditions relating to the merger of the company at its general meeting held at the Industry Club in Marunouchi. The merger will go into effect June 30, 1937. The Toho Pulp Industrial Company will increase the capitalization from Yen 15,000,000 to Yen 30,000,000 by issuing 300,000 new shares.

S. M. R. Reshuffle Affects 2,764 Employees

A personnel reshuffle, affecting 2,764 employees of the South Manchuria Railway Company, was announced by the Yen 800,000,000 concern, April 30. Toshi Go, acting general manager of the S.M.R. office in Shanghai, was ordered attached to the President's office. He will be relieved of routine business and will remain in Shanghai.

The progress of the South Manchuria Railway Co. during the past 30 years is almost incredible. Capitalized on its founding at Yen 100,000,000, it has now become the most gigantic corporation in the Orient, while conservatively estimated its assets are now worth over Yen 2,000,000,000.

Manchurian Farming Policy Is Discussed in Hsinking

The Manchurian Farming Policy Commission planned by the Kwantung Army as part of the plan for formulating national policies that are to endure permanently and composed of Japanese and Manchurian authorities on agriculture, is holding its inaugural meeting for ten days beginning May 6 at Hsinking.

All-Manchukuo Air Demonstration to Be Staged End of July

A large-scale air defense demonstration in every part of Manchuria is to be staged by the Japanese from July 31 to August 3. In addition to the Japanese air force in Manchuria, Japanese naval units will also participate in the manoeuvers, it is said.

Dairen-Tokyo Radiophone Service Opened May 1

Following two months of trials, the Tokyo-Dairen radiophone service was opened to the public on May 1. The new line is expected to relieve the congestion on the Tokyo-Hsinking line, the only other radiophone link between Japan and the new State.

President of Oriental Development Co. Tours Manchuria

Yunosuke Yasukawa, President of the Oriental Development Company, is at present on a tour of Manchuria, with a view to expanding the activities of his firm in Manchukuo and North China through co-operation with other Japanese joint concerns already operating there.

Anti-Japanese Volunteers Carry Out Raid Near Ilan, Inflicting Heavy Loses

Anti-Japanese volunteers under the command of Kung Shing-yung are reported to be very active in Manchuria. In an encounter with the Japanese near Ilan lately, these volunteers killed 152 Japanese and "Manchukuo" soldiers and seized 58 horses, 12 heavy cannons and 300 machine guns. The number of volunteers killed during the battle was 106.

The activities of the volunteers under Wu Yi-lun in Kirin were described in a report received in Tientsin April 29 and published in the *Tah Wan Pao* of the same date.

On April 10, an encounter took place between the volunteers and the Fourth Bridgae of the "Manchukuo" Army in Yangmukou, resulting in more than 200 Manchukuo soldiers being killed. The victory of the volunteers was attributed to the support given by the people in that area. On April 16, a three-hour battle was fought with the Japanese Regiment under Captain Sato in Hsiao-tanho with both sides sustaining heavy casualties.

On April 21, the Second Regiment of the volunteer units encountered the Japanese soldiers at Lochikou, during which heavy losses were inflicted on the Japanese. An abundant amount of ammunition was seized by the volunteers from the defeated Japanese soldiers.

Meantime, it is learned that the volunteers are now planning to concentrate their forces at a certain point to launch a concerted attack on the Japanese. In protest against the pressure imposed upon them by the Japanese, a large number of peasants in the various districts have recently joined the volunteers and are rendering every assistance to them.

A total of seventy volunteers arrested by Japanese troops were executed in Changchun it was further reported.

According to reports received in Nanking April 28 the battle recently staged in Ilan between the Chinese volunteers under Kung Hsien-yung and Japanese and Manchukuo troops was considered the fiercest ever fought in Manchuria since the beginning of this year.

Captain Nishi Says "Bandits," With Training, Would Make Crack Troops

The memoirs of Captain Nishi, whose unit with much difficulty routed a well-equipped bandit force under Siao Shang-chih near Sungshukou, Heiho Province, last month, stated that the bandits who opposed them were not to be compared with the common run of marauders one heards so much about; given better equipment and a little more training, they are likely to be turned into crack troops. He mentioned also that his men were having much trouble about food, especially for lack of green vegetable and therefore they tried to put some cheer into themselves by drinking Chinese wine.

Japan and Manchukuo Formulate Mutual Extradition Procedure

The *Shanghai Mainichi*, April 29 stated that negotiations are being conducted between Japan and Manchukuo with regard to the conclusion of the Japan-Manchukuo Judical Mutual Assistance Treaty, which will soon be signed by Marshal Ueda, Japanese plenipotentiary to Manchukuo, and the Foreign Minister of Manchukuo. This treaty is in the nature of an extradition treaty; that is, when a Japanese, who commits crime in Japan, flees to Manchukuo, the Japanese judicial police will request the Manchukuo authorities to place the accused under arrest and extradite him to Japan, and similar treatment will be accorded to the Manchukuo criminals, who flee to Japan.

German-Manchukuo Trade Agreement Likely to Be Renewed, Despite Differences

Germany's trade representative, Dr. Karl Knoll, who recently arrived in Hsinking as the head of the new German Trade Mission, will be in charge of Germany's delegation to negotiate a renewal of the Nazi trade agreement with Manchukuo, which expires on May 31. Dr. Knoll played an important part in the conclusion of the present agreement. He was a member of the German Economic Mission to Japan and Manchukuo in 1936, of which Dr. Otto C. Kiep was head. Before opening the negotiations, Dr. Knoll will obtain the opinions of the German consular authorities in Mukden, Harbin and other Manchukuo cities and of German traders in Manchukuo. He will also visit Tokyo to consult the German Embassy. Although observers are confident an amicable settlement will be reached in the German-Manchukuo trade parley, the delegates are expected to enter the conference with strongly divergent opinions on several points.

German merchants are expected to insist upon revision of the present agreement to provide for simplification of procedures, a more favorable trade ration, a curb on the re-export of German products to North China, and a better position for meeting the competition of other countries.

The Manchukuo Government, according to *Reuter*, has decided to reject any proposal for revision of the agreement to make it applicable to German imports of Manchukuo goods via Japan or any other third country, it is authoritatively stated in Hsinking. The decision was made after Hikichi Kato, head of the Manhcukuo trade representation in Berlin, asked for full instructions on the subject. Official circles in Hsinking maintain that the agreement, both in spirit and in letter, is one concluded between Manchukuo and Germany as independent States.

Peasants' Revolt Reported in Manchuria

An unconfirmed report reaching Harbin May 2 stated that thousands of Chinese farmers in North Manchuria revolted against the Manchukuo authorities because of heavy taxation. Hundreds of Japanese were reported to have been killed by the farmers and their houses completely looted. These revolts are reported to have spread to Fuchin, Tungkiang, and Fuyuan districts in the Sankiang Province.

China to Send High Diplomatic Commissioners to America and Europe

In addition to the readjustment of Chinese diplomatic representatives in foreign countries, Dr. Wang Chung-hui, Minister of Foreign Affairs, has decided to appoint a number of veteran diplomatists to the posts of high diplomatic commissioners to be stationed in America and Europe. The *Ta Mei Wan Pao* April 27 reported that the purpose of creating such posts is to assist the ordinary diplomatic representatives in discharging their duties as well as bringing about close co-operation between these diplomatic representatives. Dr. W. W. Yen, former Chinese Ambassador to the U.S.S.R., Dr. Alfred Sze, former Chinese Ambassador to the United States of America, Gen. Chang Chun, former Minister of Foreign Affairs, and Mou Teh-hui, former managing-director of the Chinese Eastern Railway will be appointed as the high diplomatic commissioners, according to the report.

Japanese See Delay in Converting Central Bank Into Reserve Institution

Unless a compromise can be reached, the reorganization of the Central Bank of China into the China Reserve Bank will not be able to carry through, according to Japanese reports. It is reported that the Chinese banks oppose strongly the drafted regulations which make it possible for the Government members of the board of directors to dominate the affairs of the new bank. These Chinese bankers are of opinion that if the new bank is to serve as a Bankers' Bank, it should be independent from the interference of the Government.

Branch of Central Bank of China to Be Established in Kwangsi

Preparations will be completed soon for the establishment of a branch office of the Central Bank of China in Kwangsi. The bank will call back the miscellaneous bank notes now in circulation in the province. At present no less than $40,000,000 worth of bank notes are in circulation in the province.

Progress of the Canton Municipal Bank Reviewed by President

The rapid progress made by the Canton Municipal Bank in the consolidation of its financial and business position in the City during the last eight months, was reviewed by Kiang Ying-tze, president of the Bank, in an address at the Sun Yat-sen weekly memorial service of the municipal government at Canton May 1. Indicating the satisfactory condition of the Bank, the report reveals that during the last eight months (from the time the Bank was taken over by Mr. Kiang and up to the end of March, this year) the total deposits showed an increase of over $4,500,000. When the Bank was taken over last August, the actual deposits totalled about $2,400,000, but, at the end of March this year, they swelled to about $6,980,000, and have now touched the $7,000,000 mark.

Farmers' Bank Calls Back Its Bank Notes from Circulation

The Farmers' Bank is calling back its bank notes from circulation. According to official statistics, an additional $13,000,000 legal tender notes were issued by the Central Bank of China, the Bank of China and the Bank of Communications since March 28. The total legal tender notes now in circulation amount to $1,384,000,000.

During the period, according to the report, the bank notes issued by the Farmers' Bank have been decreased by $7,360,000.

Shantung Chairman Displeased with Nanking's Increase of Salt Tax

Strong opposition was raised by General Han Fu-chu, Chairman of Shantung, against the increase of salt tax in Shantung by the Central Government, in his petition submitted to the Executive Yuan April 27. General Han, while pointing out that it is impossible to increase taxes in Shantung, where four-fifths of the population are poor peasants, proposed that the Central Government should effect an increase in the taxes on luxury goods, which are consumed by rich people.

Kwangtung Farmers Exempted From Paying $12,000,000 Land Taxes

In an attempt to rehabilitate the finances of the hsiens and to lighten the burden of the farmers, the Kwangtung Provincial Government has decided to exempt the farmers from paying $12,000,000 land taxes, which they find themselves unable to pay before 1934. All taxes after 1934, however, must be paid by the farmers, according to the decision.

Legislative Yuan Approves Continuation of Five-Percent Customs Surtax

The Legislative Yuan at its regular meeting in Nanking April 30 passed the proposal to continue the five-per cent Customs surtax for another year. The original petition was submitted by Dr. H. H. Kung, Minister of Finance, before his departure for Europe.

Hupeh to Float $5,000,000 Bond Issue

The Hupeh Provincial Government, in a petition to the Central authorities, has asked for permission to issue Hupeh Reconstruction bonds for the 26th year of the Republic to the value of $5,000,000.

Gen. Ho Yao-tsu Wishes to Borrow $1,000,000 for Kansu

Gen. Ho Yao-tsu, newly appointed chairman of the Kansu Provincial Government, is arranging with the Central Bank of China for a loan of $1,000,000 to meet the political and military expenses in said province.

Kweichow Authorities Ask Permission to Issue $3,000,000 Reconstruction Bonds

The Kweichow Provincial Government has petitioned the Central Government for permission to issue reconstruction bonds to the value of $3,000,000.

Shensi Gets Half Million Loan from Farm Credit Bureau

An agreement for a loan of $500,000 from the Farm Credit Bureau for the drilling of a number of wells in Shensi will shortly be signed between the Bureau and the Shensi Provincial Government.

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ACADEMIC CALENDAR
1937

Opening of Summer Term	Monday, June 28, 1937
End of Summer Term	Friday, July 30, 1937
Opening of Autumn Term	Monday, October 4, 1937
Thanksgiving Holiday	Thursday, November 25-26, 1937
End of Autumn Term	Friday, December 18, 1937

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Large Spanish Rebel Cruiser Sunk—By Air Bombs or Mines?

The naval strength of the Spanish insurgents suffered serious loss April 30 when the 15,500-ton cruiser *Espana*, one of the two most powerful units possessed by Spain, was sunk by Government aircraft off Santander, in northern Spain. It was officially claimed that the *Espana's* guns were manned by Germans. Later British telegrams expressed skepticism that the sinking was due to air-bombs and that instead the *Espana* had struck a mine.

The steamer *Backworth*, carrying coal and wood in addition to foodstuffs arrived safely in Hendaye, April 28. She was escorted by a British destroyer as far as the three-mile limit.

Bombs fell all round four British cargo boats then in Bilbao harbor, when 15 insurgent bombers apparently of German make, carried out an air-raid lasting 15 minutes April 29. None of the vessels was hit although spray from the falling bombs splashed them.

The Nationalist-insurgent government at Burgos sent an energetic protest to Great Britain April 26 in which British ships are accused of flagrant violation of the principle of neutrality.

Suggestions that the Germans had any connection with the bombing of Guernica were sharply rejected in Berlin, April 28. The German denial followed an earlier statement by Dr. Aquirre, President of the Basque provinces, in which he said: "The destruction of Guernica was the work of German airmen in the service of the Spanish rebels."

Basque Defenders Strengthened with Fresh Militia

The Basque defenders of Bilbao, who are facing an attack from Guarnica, which was occupied by the rebels last week, were strengthened by large numbers of fresh militia, May 1. Practically the whole peasant population of Biscay province, as well as the inhabitants of towns and tens of thousands of refugees from other Basque provinces, are slowly withdrawing within Bilbao's powerful ring of fortifications.

Spanish "Reds" Want "Liberation" of Morocco

Recent advices from Paris stated that in the baggage left behind by the Reds in their retreat in southern Spain, the Spanish Nationalists found large quantities of papers—partly in Russian and including plans and leaflets in Arabic, Spanish and French calling for the "Liberation of Morocco."

France Agrees to 12-Year Transition Period for Egypt

Breaking a prolonged deadlock, the chief French delegate, M. Detessan, announced at the meeting of the General Commission of the Capitulations Conference at Montreux April 30 that France accepted a transitional period of 12 years. His Government, he added, was glad thus to demonstrate its confidence in the Egyptian people and in Egyptian democracy. As a result of the French action and the subsequent acceptance of the Egyptian proposal that foreign judges of the mixed court, as and when they retire, should be superseded by native judges without delay, it is generally considered that the Convention is now practically completed.

Irish Free State Now Becomes "Eire"

A bicameral system was restored to the Irish Free State under the new Constitution, issued in Dublin, May 1. The Governor-General will be replaced by a President, who will be apart from party politics and sectional interests.

He will be called An Tuachtaran, and will have power to withhold assent to bills. The name of the Free State will be altered to Eire. The preamble was issued in the name of the Most Holy Trinity, and "humbly acknowledged obligations to the divine Lord, Jesus Christ, who sustained our fathers through centuries of trial."

The Articles state that the national territory consists of the whole of Ireland and its islands and territorial seas, but, pending the establishment of jurisdiction over the whole of them, parliamentary laws shall apply to the Irish Free State area. The primary official language will be Irish and the secondary English.

Gen. McArthur Marries in New York—Will Return to Manila

Gen. Douglas MacArthur, head of the American Military Mission to the Philippines and Field Marshal of the Philippines Army, was married to Miss Jean Faircloth, of Murfreesboro, Tenn., in New York April 30. The couple will be passengers to Manila in the Dollar liner *President Coolidge* sailing from San Francisco, May 10.

Manuel L. Quezon, President of the Philippines, accompanied by his wife and several aides, sailed from New York for Europe on the French liner *Normandie*.

Formosan Governor-General to Visit Manila

Admiral Seizo Kobayashi, Governor-General of Formosa, is scheduled to visit the Philippines in July, when he will confer with President Manual Quezon on the so-called "southward policy" of the Japanese Empire.

German Foreign Minister Neurath Visits Rome

Baron von Neurath, German Minister for Foreign Affairs, proceeded to Rome this week to return the visit which the Italian Foreign Minister, Count Galeazzo Ciano, paid to Berlin last year.

No Italo-German alliance is in preparation, Berlin official circles consistently declared, in spite of recent sensational rumors to that effect.

Commenting on the German statesman's visit, the *Popolo d'Italia*, a newspaper founded by Signor Mussolini, says that in view of their common action and vigilance over the progress of events in Europe there is nothing remarkable that contacts between Italy and Germany are frequent.

German Consul General Trautmann Holds Reception on National Day

A reception was given in Shanghai May 1 by Dr. Oskar Trautmann in the Germann in the German Embassy on occasion of the "German National Day." The guests drank toasts to Germany and the Reich Chancellor, Herr Hitler, after which a buffet lunch was served. Among the those present on the occasion were Ambassador Nelson T. Johnson, Sir Hughe Knatchbull-Hugessen, Gen. Wang Ku-pan, Mayor Ma Chao-chun, Willys R. Peck, George Atcheson, Yui Ming, Secretary Hendrik Bos of the Netherlands Legation, Jefferson Lamb, President Lo Chia-lun of the Central University and others.

I.P.R. Survey Explains How Germany Is Regaining Economic Supremacy in Far East

Germany is rapidly regaining the trade and economic supremacy in China, Japan and the Far East, which she lost during the Great War, according to a survey by the Institute of Pacific Relations. By adroitly dropping the mailed-fist tactics that she employed before the War and inaugurating an era of skilful and friendly negotiations, the survey finds that Germany is re-establishing her trade relations in the Far East and entrenching herself there economically on a sound and probably premanent basis.

The two countries most calculated to suffer from Germany's new policy in China and Japan, according to the survey, are the United States and Great Britain. There is every indication, however, that Germany will succeed in wresting away a sizeable portion of British and American trade in the Orient.

The theory that Germany is the natural political friend and economic ally of the nations of Asia which are rising to industrial independence is being developed and applied to the extreme degree by the latter, the Institute finds.

According to the Institute, no other country has ever given, either willingly or unwillingly, the national trades of other countries with which they are dealing, such a great share in the profits of trade. Under this system, it is pointed out, Germany's lack of capital, does not prevent her from fostering the growth of a national trade organization in the Far Eastern countries. The extent to which this new trading mechanism has succeeded for Germany is demonstrated by the fact, the Institute finds, that Germany's exports to China, Hongkong and Manchukuo have increased from 37,900,000 Reichmarks during the first half of 1934 to 65,000,000 Reichmarks in the corresponding period of 1936.

Catholic Priests Jailed Wholesale in Germany Because of Alleged Immorality

More than a thousand Roman Catholic priests at present are in jail in Germany awaiting trial on charges of immorality, the newspaper *Essen National Zeitung*, the mouth-piece of Col.-Gen. Hermann Goering, Minister of Air and Prime Minister of Prussia, and other German newspapers revealed in Berlin, April 29. The cases will be dealt with in batches of several hundred at a time, the newspaper said.

It was stated that in Coblenz the whole Catholic order would be put into the dock, "not a single member of whom is not guilty."

The Catholic priest, Father Rossaint, was found guilty Apr. 28 of high treason, sentenced to eleven years' penal servitude and deprived of his civil rights for ten years. This is one of the most drastic sentences ever passed on a priest in Germany. Of the six other accused, Father Kremer was sentenced to five years' and Herr Juelich, a Catholic layman, to two years' penal servitude. The specific charge against Father Rossaint, the two other priests and four laymen was that they were "preparing high treason by attempting to form a United Front composed of young Catholics and Communists." Father Rossaint's plea was that he was trying to convert the Communists to Catholicism.

Tokyo Publishers' Association Petitions for Abolition of Duties on Paper Products

The price of paper used in the printing of books, newspapers and magazines has risen quite appreciably in Shanghai in recent months, in common with the rise in the price of paper throughout the world. Japanese newspapers report that in the Island Empire the price of paper has risen greatly during the past seven months. As a result, the Tokyo Publishers' Association has petitioned the Government for the abolition of duties on paper products and also the abolition of the curtailment policy adopted by domestic paper companies.

Detention of Manchukuo Officials by Soviets Protested by Hsinking

A strong protest against the detention of a Manchukuo consular official by the agents of the O.G.P.U. in Blagoveschensk, on the Amur, was filed April 29 by Shih Li-pen, Foreign Affairs Commissioner for North Manchuria, with Michael Slavutsky, Soviet Consul-General in Harbin. The official was seized on April 24, together with the daughter of the Manchukuo Consul in the Soviet city, as they were proceeding to the telegraph office. The girl was later released, but the consular official is still in custody. Mr. Shih's note demanded the immediate release of the detained man; punishment of the Soviet officials responsible for the incident, and a guarantee against the recurrence of similar affairs.

Soviets and Japan-Manchukuo Troops Exchange Fire on Frontier

Reports from Khabarovsk state that on May 2 at 5.20 p.m. a Soviet frontier patrol noted a group of Japano-Manchurian soldiers moving into Soviet territory in the vicinity of frontier post-mark "M," west of Lake Khanka. At the same time, another group of Japano-Manchurians, with one machine-gun, settled on the frontier line, conducting from thence observation of Soviet territory. Having encountered the Soviet patrol, *Tass* says the Japano-Manchurian group opened fire at the patrol from rifles, which was backed by machine-gun fire from the Japano-Manchurians who had settled on the frontier. The Soviet frontier guards returned the fire and forced the Japano-Manchurians to retreat to Manchurian territory. The Soviet frontier guards stated that they found and collected Japanese used rifle cartridge cases at the place of the incident.

Manchukuo-Mongol Frontier Conference to Reopen

Arrangements have been made, for the resumption of the conference between Manchukuo and Outer Mongolia for the delimitation of frontiers. The discussions will reopen on May 15 at Manchuli, the former venue.

Death Sentence Passed on Railway Saboteurs—Allegedly Worked Under Japanese

The Military Collegium of the Moscow Supreme Court April 29 sentenced to death two accused, and gave others long terms of imprisonment, on charges arising from a rail disaster in Krasnoyarsk, Siberia. The Court stated that the two principal accused, together with their accomplices, had "acted under the direct orders of Japanese intelligence agents" to bring about the wreck.

Sino-Soviet Commercial Agreement Being Discussed in Nanking

Negotiations have been started between the Ministry of Foreign Affairs and the Soviet Ambassador to China, D. Bogomoloff, regarding the conclusion of a Sino-Soviet commercial agreement.

Moscow Becomes a "Sea-Port" as Result of Development of Canals

The Soviet capital became a seaport May 2 with the opening to traffic of the new Volga-Moscow canal. The occasion was marked by the arrival in the Soviet Capital of a flotilla of passenger ships and tug-boats gaily decorated with flags and banners. It was the first time that watercraft had every arrived in Moscow, and the occasion was observed with celebrations. With the completion of the Canal, Moscow is now connected with the Caspian, Baltic and White Seas, and is expected to become a seaport of importance.

Soviets Have an Advantage in Sinkiang, French Woman Journalist States

A predominence of conflicting Chinese, Soviet and Moslem influences, and a sharp decrease of British influence because geographical conditions prevent Britain from sending any troops from India into the region, were noticed in Chinese Turkestan by Mlle. Ella Maillart, noted French woman-reporter, whose impressions during a recent trip through Sinkiang were given in a lecture before the Committee of Studies for Pacific Problems in Paris April 29 under the chairmanship of Prof. Paul Pelliot who later emphasized how greatly geographical factors favored the U.S.S.R. in its alleged activities in Chinese Turtkesan.

Plundering of Catholic Missions in China by "Reds" Disturbs Vatican

A telegram from Vatican City April 30 stated that persistent reports that Chinese Communists are plundering Catholic missions in China was causing grave concern in Vatican circles. The Catholic mission at Tsinchow, Kansu, was among those allegedly ransacked. The work of the German Capuchin Fathers was said to be at a complete standstill because of the Communist menace.

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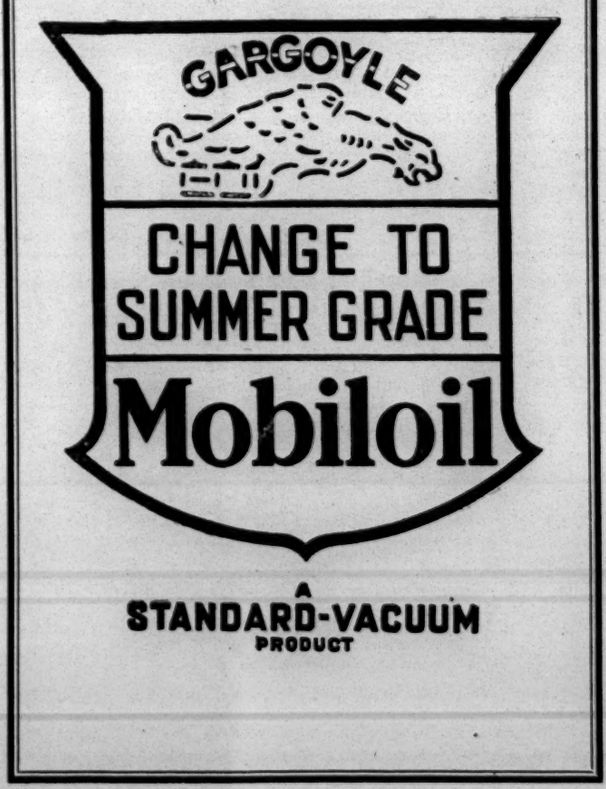


The Far-Eastern Crisis—Some Comments on Henry L. Stimson's Book

BY CHEN PIN HO

(*Continued from last week*)

To carry out territorial aggression against a neighboring country on the pretext of "protecting the life and property of its own nationals" is a deception thinly enough veneered, to say nothing of the fact that hundreds of miles of distance lay between the respective localities where these nationals were found and of its military operations. What military occupation could not have been carried out under this pretext? What protection and security can the small and militarily weak countries expect against aggressions? The Japanese Empire has actually occupied the whole territory of Manchuria under this pretext, nay, it has extended its military occupation until the provinces of Jehol, Chahar, Suiyuen, and East Hopei—north China in its entirety—are included. The same pretext will be found very convenient to use when the Japanese Empire should have a mind to occupy the whole territory of China. In the same manner, the Soviets are threatening the life line of the Japanese Empire; why should not Japanese stage an attack against Soviet Russia? Lake Baikal would afford a fine opportunity for those Japanese nationals who delight in the taste of fresh water fish. Further south, does not the presence of British Hongkong and Singapore, even the Republic of the Philippines, threaten the life line of the Japanese Empire? What should lay in the way of Japan's sending units of her army, navy and air forces on "protective missions?" The scenic south seas are no less attractive than the over-advertised Fuji at any rate. No, Japan's pretext for her military attacks against China does not hold water, otherwise humanitarianism would have perished from the face of the earth.

(2) The Pretext of Disorder in China.—It is Japan's practice to systematically gather China's faults, real or imaginary, such as unsanitary habits, conservative customs, and vestiges of her feudal society for the malicious purpose of discrediting China in the eyes of the Japanese people and of the world. That Japan loses no chance in exploiting these faults of China as pretexts for her aggressive actions against China is the opinion of Mr. Stimson:

> ". . . Indeed, in the long view of history, in estimating future probabilities by centuries rather than by decades, it was self-evident that the eventual trans-Pacific relations of the United States would be enormously, if not predominantly, affected by the future development of the 450 millions of Chinese people dwelling on the mainland behind the islands of Japan. For four thousand years China had continuously and tenaciously developed and maintained her entity and peculiar culture. Often assailed and sometimes conquered by enemies, she had in the end outlasted or absorbed her conquerors and had succeeded in maintaining a civilization which outdated that of the Western nations of the globe." (pp. 10-11).

Such is common knowledge. For, prior to her modernization reforms in the latter half of the last century, Japanese civilization for the thousand years back had been borrowed from China lock, stock and barrel—from the selfsame China that she now daily aggresses against. Japan's awakening is traceable to the enforced opening of her doors to western commerce under demand of the United States navy. Since then, she has been diligently employed in transplanting wholesale the western capitalistic civilization onto the soil of her island empire. The Russo-Japanese War of 1905 proved to her the material value of the undertaking she had set her heart on.

With China, the circumstances of the case are not analogous: her much firmer rooted traditions, the vastness of her territority, sluggish communication, the immensity of her population, vestiges of her past static society and external difficulties all combined to render her less luckily placed than Japan in the matter of social reform and modernization. This does not mean that China is unprogressive or incapable of progress or makes no attempt toward salubrious reforms. Says Mr. Stimson:

> "But in the early years of the twentieth century the inevitable age arrived and the modernization of China had begun. For nearly three decades prior to the events which I am discussing, she had been a nation in flux, absorbed in the effort to evolve administrative and governmental changes which would be adequate to meet the problems of the modern world. Her problems of assimilation and transformation were infinitely more difficult than those of Japan, owing to the size of her territory, her defective administration and finance, and the tendency of her people to think in terms of family and locality rather than of national unity." (p. 11).

China's reform and modernization work involves greater difficulties and, of necessity, will be slower when compared with that of Japan; it is a question of greater or less length of time, not presence or lack of capacity. Her developments may be slow but "unmistabakle evidences of transformation were manifesting themselves." (p. 11) It is ten times more difficult for China to emerge from the agricultural and land industry stage of development to that of machine production industry than it is for Japan. The first step in this colossal task was to remove the Tsing Dynasty domination with a background of some 300 years. The struggle in the racial revolution was not without due sacrifice, commensurate to the immensity of the object sought. Japan was fortunate in that the path of her reform was not blocked by a similar obstacle.

China is a land vast in area and rich in resources, such as to attract a greedy eye. The efforts of her people toward changes found to be inevitable since her awakening to the situation have met with external oppressions and intentional hindrances of which Japan was free. At the time when Japan began putting her house in order, certain yet unexplored and colonizable areas of land surface still remained—areas large and rich enough for capitalistic countries to ignore the possibilities of the dim nutive islands of the Japan archipelago. Japan was thus left in peace to transform herself into an industrial country in her own time. China is not blessed with similar favorable circumstances. Her greater size and longer history render a longer period of struggle attendant with greater difficulties necessary. However, the Chinese people have not shrunk back from the immense task but have pushed on step by step with the avowed object constantly in sight. In any transition of magnitude temporary chaos is unavoidable. The colossal transformation undertaken by China is no exception. Yet the Japanese Empire delights in making capital out of this temporary disorder, magnifying it, representing it in the most unfavorable light possible, alleging that, therefore, China is but a land, not a nation with organization and unity; it is therefore legitimate or at least permissible for Japan to interfere in China's internal affairs. Japan seems to overlook the fact that the very presence of temporary disorder is a sign that transformation is at work. Mr. Stimson says, on page 22 of his book:

> **"This period of struggle in China is often looked upon by outside observers as mere chaos. They are wrong. It has the inevitable roughness of the transition period during which this great people is pushing its way from its ancient patriarchal system into the modern nationalism of the present world."**

Our neighbor's allegations will not and cannot deny this common truth of history. England's agitation and movement for the signing of the Magna Charta in the 13th century was followed by several decades of disorder. The great French Revolution (1789-1871) embroiled the country into nearly a century of intense internal and external warfare. The unification of Germany during the early and middle parts of the last century was no achieved without several decades of hard struggle. The United States of today is the fruit of the independence war and a protracted civil war. In Japan irself, it was only the long struggle against feudal usurpations that prepared the way for the great national reform. These internal struggles of Japan are not matters of such distant history that our "friendly neighbor" has completely forgotten their occurence. In her transitional period, China's task in ordering her internal affairs and maintaining her diplomatic position (especially with Japan), is ten times, a hundred times harder than for the countries above-mentioned to effect a thorough transformation. Of course, if the Japanese aggressors are determined to carry out their continental policy and in carrying out this policy they must needs attack China and infringe upon her territorial integrity, they will find an excuse or make one for, "when one has a mind to find fault, one does not need to worry for want of an excuse."

But the Chinese nation of the present day is not the inert mass of population of half a century ago, the population that looked on nonchalant when Korea and Formosa were, one after another, carved away and annexed. The Chinese nation of the present day is a nation of 450 millions of loyal, hard-working people, who have learned a bitter lesson in the form of oppression from without during a whole century; and have had the practical experience of the political reform of 1898, the national revolution of 1911, the patriotic movement of 1919 and the revolutionary northern expedition of 1927. The Chinese nation of the present day is not a sheep with limbs helplessly tied waiting to be shorn but an ensnared lion fighting for freedom. This is a condition Japanese aggressors are unwilling to admit or unable to comprehend; fortunately, a friend across the Pacific—Henry Stimson—is and does. His sympathetic understanding cannot fail to be appreciated in the spirit it was given.

(3) The Pretext of "Spec'al" Rights and Claims.—The author countermands the excuses used by the Japanese Empire for "spec'al" rights and claims in Manchuria:

(*To be continued next week*)

Britain to Use Non-Europeans to Defend Far East Garrisons

A *Reuter* message from Singapore April 23 stated that Britain is to follow Holland's example of using non-Europeans in the regular defence forces of garrisons in the Far East. A fortress company of Royal Engineers is to be formed at Singapore from non-European personnel enlisted locally, and it is likely that a Eurasian Regiment will be formed soon. Malaya already has a Regiment of Malay soldiers, and the Volunteer Forces include enthusiastic Eurasian, Malay and Chinese units. In Hongkong, which is becoming increasingly important in Britain's defence pattern in the Far East strategic zone, unskilled Asiatic personnel is to assist in manning coast defence armaments.

Referring to the urgent necessity of increasing the garrison strength of Singapore and Hongkong without delay, *Reuter* said the British War Office's decision to avail itself of non-European personnel is not surprising. In the Netherlands Indies, 75 per cent of Holland's Colonial Army are non-Europeans. They are eligible to become non-commissioned and commissioned officers and some of them are trained at the Royal Military Academy in Holland. Some have attained the rank of major.

Mile-Long Procession of "King's Chinese" Will Celebrate Coronation in Malaya

A mile long, a Chinese procession with gay lanterns, will head the Coronation celebrations in Kuala Lumpur, capital of the Federated Malay States. Various other communities will also take part in processions. Most of the Chinese are Straits-born and are known as the "King's Chinese," as they are British subjects by birth.

Stormy Farewell for Chinese Coronation Delegate from Singapore

To give weight to their demands for increased wages, about 300 young Chinese biscuit factory strikers broke windows at the Chinese Consulate in Singapore April 24. They did this on the morning the Chinese Consul-General, Kao Ling Pai, left Singapore to join China's delegation to the Coronation in London.

Britain Plans Big Air Base in Jehore

Britain has been decided to construct a huge military air base in Jehore, about 150 miles away from Singapore.

Singapore Seeks More Control Over Aliens

With Singapore assuming increasing importance in Britains Far East defence pattern, the Straits Settlements Government is seeking greater control of aliens in a Bill to be introduced in the Legislative Council, a recent message from Singapore stated. Provision is to be made for checking the movements of aliens in and out of the Colony by means of consulting passenger lists.

France Strengthens Her Defences in Indo-China

With Japan arming to the teeth, Siam and the Netherlands East Indies spending more and more on defence, Britain pouring millions of pounds into Hongkong and Singapore, and China modernising every unit of her army, France also is strengthening her defences in Indo-China. There are now 25,000 French soldiers in the territory apart from native troops, according to the retiring Governor of Tongking, Monsieur A. Tholance. M. Tholance has retired after spending 36 years' service in French Indo-China and over 10 years as Governor of Tongking.

Japanese Grow Cotton in Netherlands New Guinea

Experimental cotton planting in Dutch New Guinea by a Japanese concern, the Nanyo Kohatsu Gomei Kaisha, has given such satisfactory results that the company will shortly begin cultivation of cotton there on a large scale.

"Green Pastures" Banned in Singapore

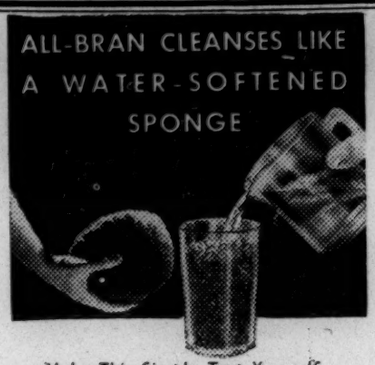
"The Green Pastures," Warner Bros. famous film which gives negro ideas on religion, God and heaven, has been banned by the censor as being "unsuitable" for Malayan audiences. Another famous film banned for the same reason is the Paramount production, "The General Died at Dawn" which is based on civil war in China. Several other less well-known films have also incurred the censor's displeasure mainly on account of gun-play.

British General Assumes Political Control in Turbulent Indian City

Under orders from the Government of India, General Coleridge, Northern Command, assumed political control in Waziristan from April 24. Steam-roller action to roll up the resistance of the hostile tribesmen in Waziristan began in earnest with the establishment of a bridge-head south of the Tochi River. About 33,000 British and Indian troops are taking part in the operations.

Fourteen Killed as Police in India Fire on Rioters

The police fired on rioters in the village of Bahror, in Alwar state, Rajputana, April 23. Fourteen persons were killed and 44 were wounded.



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In the United States Court for China

In re.	Cause No. 4186
THE MATTER of	Special Proceedings No. 2065
GEORGE C. WORTH, Deceased.	NOTICE
	Filed at Shanghai, China, April 9, 1937.
	William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of GEORGE C. WORTH, deceased, to present the same with vouchers to the undersigned on or before October 17th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES W. WORTH,
HANGCHOW, CHINA.

Shanghai, China.

Acting Mayor Yui Urges Cooperation Between Laborers and Employers

A frank appeal for closer cooperation between employers and employees in order to develop China's industry was made by O. K. Yui, Acting Mayor of Greater Shanghai, in a message to the laborers and various factory managements in Shanghai on the occasion of the International Labor Day (May 1). The social unrest today, according to the Acting Mayor, comes not as a result of the oppression of laborers by Chinese capitalists, but as a sequence to the menace spread by the tremendous imports from foreign countries. Remarking that the success of the employers is dependent upon the efforts of the laborers, and that the existence of the workers in turn relies upon their employers, the Mayor urged close cooperation between the two so as to realize mutual benefit.

Chinese Municipal Authorities Take Action to Settle Silk Strike

To put an end to the silk strike in Shanghai, the Bureau of Social Affairs, in a decree issued to the strikers and the employers April 28, ordered the immediate resumption of work in the various silk factories. According to the decree, both the strikers and the employers have to resume work in accordance with the measures laid down by the Bureau for a settlement of the strike.

Female Workers of Yihchung Cotton Mill Proclaim Strike

A general walk-out was staged April 28 by more than 180 female workers of the Yihchung Cotton Mill, No. 80 Ward Road in Eastern Shanghai.

3,000 Strikers Demand Free Ride to Nanking

As efforts of mediation of the Kong Yih strike had resulted in a complete failure, 3,000 strikers of the Kong Yih Cotton Mill staged a grand march in Western Shanghai April 28, in an attempt to reach the Chengju Railway Station, for a free ride to Nanking via the Shanghai-Nanking Railway. The demonstrators, however, were blocked by police near Chungshan Road and were finally dispersed.

Shanghai Silk Strikers Resume Work

Strikers of the various silk factories in Shanghai, who had been idle for the past two months, resumed work April 30. An agreement was reached between the managements of the silk filatures and silk weaving factories in town and the workers under the supervision of the local authorities. According to the agreement all the dismissed workers during the strike will be re-employed. The problem of wages during the period of strike will be discussed later.

Railway Workers in Hankow Clash With Police

A total of six workers of the Hankow-Canton Railway has been arrested, as a result of a clash with the police. The six workers, after being detained in the military jail, were brought before the district court.

Cotton Mill Strikers Kidnap Six Tsaokadoo Policemen and Hold Them for Nearly an Hour

On the night of May 3 upwards of 1,000 Union cotton mill workers kidnapped six policemen attached to the Tsaokadoo Bureau of Public Safety and held them for nearly an hour before a superior force of police came to the rescue. In the early stages of the series of riots, Settlement Police stood by with riot vans and equipment but later in the evening as trouble spread to the Hung Chong Cotton Mill in Connaught Road—Extra-Settlement territory—the Reserve Units and four detachments of the Russian S.V.C. were called out to restore order. The trouble started when a worker of the Tai Tung Cotton Mill in Chapei, near Brenan Road, was beaten by some fellow workers, allegedly at the instigation of Wang Tze-pai, the foreman, whom unionists declared was pro-capitalist. Angered at this incident, leaders of the Third District Cotton Mill Workers' Union seized Wang and forced him to kneel down before the portrait of Dr. Sun Yat-sen for an hour.

Chinese Consuls-General Elevated in Rank, Salaries Increased

According to the revised table of the ranks and salaries of Diplomatic and Consular officials passed by the Legislative Yuan April 20 on the recommendation of the Foreign Relations and Legislation Committees, it is provided that Consul-Generals, who are at present of *Tsien-Jen* (3rd) rank, will be promoted to *Chien-Jen* (2nd) rank.

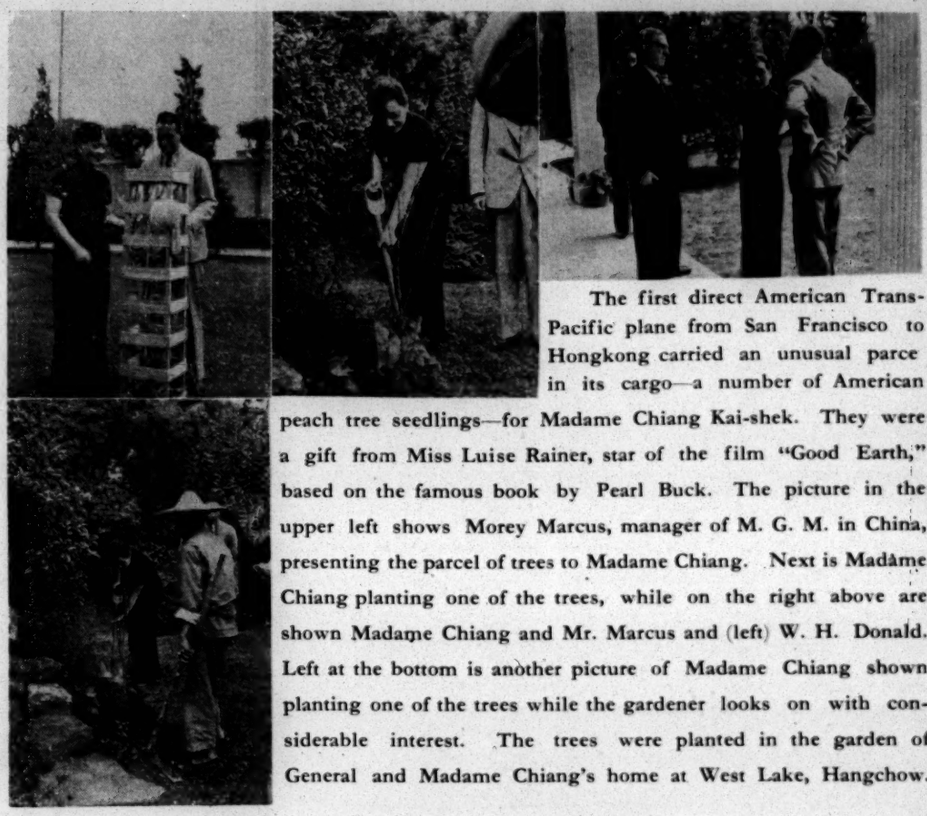
The Ministry of Foreign Affairs has decided to elevate the rank of the Consuls-General at New York, Singapore, Batavia, Ottawa, Vladivostok and Manila to *Chien-Jen* (2nd) rank immediately in accordance with this revised table.

The monthly salaries of Diplomatic and Consular officials, according to the revised table, are as follows: *Ta-Jen* (1st) rank—such as Ambassadors and Ministers: $800; *Chien-Jen* (2nd rank) officials such as Consuls-General, are divided into 8 grades; their salaries ranging from $430 to $680; *Tsien-Jen* (3rd rank) officials such as Consuls, are divided into 10 grades; their salaries ranging from $220 to $400. *Wei-Jen* (4th) rank—such as Chancellors: 1st grade, $200; 2nd grade, $180; 3rd grade, $160.

A Denial from the Foreign Office Regarding Diplomatic Readjustments

Press reports that the Ministry of Foreign Affairs is contemplating the readjustment of the system of the diplomatic service, including reclassification of the various embassies, legations and consulates abroad, were officially denied at the Ministry in Nanking, Apr. 28. Interviewed, a spokesman of the Ministry said that no such plans are contemplated by the Government.

AMERICAN PEACH TREES BY AIRMAIL FOR MADAME CHIANG



The first direct American Trans-Pacific plane from San Francisco to Hongkong carried an unusual parce in its cargo—a number of American peach tree seedlings—for Madame Chiang Kai-shek. They were a gift from Miss Luise Rainer, star of the film "Good Earth," based on the famous book by Pearl Buck. The picture in the upper left shows Morey Marcus, manager of M. G. M. in China, presenting the parcel of trees to Madame Chiang. Next is Madame Chiang planting one of the trees, while on the right above are shown Madame Chiang and Mr. Marcus and (left) W. H. Donald. Left at the bottom is another picture of Madame Chiang shown planting one of the trees while the gardener looks on with considerable interest. The trees were planted in the garden of General and Madame Chiang's home at West Lake, Hangchow.

High Prices of British Rubber and U.S. Strikes Cause Ford to "Go Independent"

According to an article in *Time* (April 12) Henry Ford has purchased U.S.$1,000,000 worth of tire-making machinery for a new Ford tire factory at his River Rouge plant near Detroit. Many years ago Ford operated his own tire plant but discontinued it to purchase his tires from Firestone, Goodyear, Goodrich and U. S. Rubber. Recently, however, Ford became alarmed at the strike situation in Akron, Ohio where most American tires are made and decided to resume manufacturing on his own account. U. S. tire manufacturers early in April requested the State Department to protest to Great Britain regarding restrictions on rubber in the Straits Settlements claiming the prevailing price of U.S.$0.27 cents a pound represented a ten-fold increase over depression prices. It was stated however, that Ford hoped soon to free himself from dependence on Far Eastern rubber when his 2,500,000 acre rubber concession in the heart of Brazil's Amazon jungles begins producing.

Drug Addicts Escape When Fire Breaks Out at Peiping Temple Clinic

Fire caused by a short circuit broke out early in the morning of April 29 at the Wanshoussu, or Temple of Ten Thousand Longevities in Peiping, which completely destroyed the Wanshoukeh, a two-storied structure in which 728 drug addicts undergoing cures were housed. The inmates nearly all escaped, but most of them were later recaptured. The Wanshoussu is situated on the banks of Kublai Khan's canal outside the Hsi Chi Men. It was the favorite resting-place of the Empress Dowager Tsu Hsi on her excursions by barge from the Forbidden City to the Summer Palace. The fire lasted for four hours, and caused damage estimated at $200,000.

Attractive Woman Drug Trafficker Executed in Hsuchow

Drawing thousands of spectators to the execution ground, Miss Lu Tse-lan, attractive woman drug trafficker, was shot by a firing squad at Hsuchow, April 28 by orders of the Hsuchow-Haichow Garrison Headquarters. She was arrested early last month by railway police while on her way to Chengchow when a large quantity of heroin was found in her possession.

Eight More Drug Peddlers Executed at Peiping

After having been paraded through the streets, eight drug peddlers were executed at Peiping, April 28 by order of the Hopei and Chahar Pacification Commissioner's Headquarters. Of the eight offenders who paid the supreme penalty, five were natives of Honan. Altogether about 30 violators of the anti-drug laws, which came into force on Jan. 1, have been executed in Peiping since then.

Opium Smoking to Be Eradicated in Kwangsi

Opium smoking will be completely eradicated in Kwangsi at the end of this year, according to Kung Fang-yuan, special commissioner of the Central Opium-suppression Commission resident in Kwangsi. The opium suppression work in Kweichow, according to Mr. Kung will be carried out in accordance with the anti-drug regulations promulgated by the Central Government.

Narcotic Dealer Executed in Siaohsien

Tien Chi-kai, who was arrested by the police at Siaohsien, northwestern Kiangsu, for smoking and selling narcotics in January, was executed there April 30. The action was taken following the receipt of an order from the Military Affairs Commission.

Korean Drug Traffickers Caught in Paoting

Two Korean drug traffickers were apprehended and twenty-nine catties of narcotics seized by the Paoting police authorities at the railway station in said city May 2.

Narcotic Dealers Receive Heavy Sentences in the United States

One prison sentence of 50 years, six other sentences aggregating 90 years, and fines aggregating $23,000, were recently imposed in the United States on seven members of an important narcotic gang in the Southwest, headed by a notorious wholesale operator named Louis Ginsberg, whose chief lieutenant was a certain Dan D. Moody. The jury took only 15 minutes to reach a verdict. The work of rounding up this gang was accomplished by Federal Agents, who in the course of their activities, made from various members of the gang 11 purchases aggregating more than 4 pounds of morphine and heroin. Ginsberg was arrested at Hot Spring, Arkansas, on January 8, 1937. On the same date, R. E. ("Rudy") Epps, Guy Payne, and Uhle Eichenbaum were arrested in Dallas, Texas. On Oct. 6, 1936, Johnnie Walker had already been arrested at Fort Worth, Texas, and on December 20, 1936, Danny Miller had been arrested at Salt Lake City, Utah. Dan D. Moody, Dick Smith, J. C. Allen, Mrs. Myrtice Allen, and Frank Ianni were arrested at various other times and places, making a total of 11 persons taken into custody. Nearly all of these persons actually sold morphine or heroin to Government Agents, and those who did not sell were positively implicated in the traffic.

Louis Ginsberg was sentenced to 50 years in prison and a fine of $10,000; Dick Smith to 20 years and a fine of $2,000; Guy Payne to 2 years and a fine of $2,000; J. C. Allen to 20 years and a fine of $2,000; etc.

New York Court Imposes 40-Year Sentence

A determination to treat narcotic smugglers with the utmost severity was manifested when, on Dec. 18, 1936, the court in New York imposed two prison sentences of 40 and 25 years, accompanied by heavy fines.

Another narcotic gang leader in the United States, Morris Schatz, was recently sentenced to a New York court to 25 years imprisonment and $45,000 fine, and Serafino Mancuso, alias Pierre Stefano, who was sentenced to 40 years and $40,000. Other gangsters convicted at the same time received lighter sentences. These convictions came about as a sequel to four seizures of narcotic drugs made on board liners in New York harbor.

In the United States Court for China

In re.

IN THE MATTER OF THE ESTATE of HELEN CAMPBELL, Deceased.

Cause No. 4189
Special Proceedings No. 2068
NOTICE
Filed at Shanghai, China April 14, 1937.
WILLIAM T. COLLINS, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Helen Campbell, deceased, to present the same with vouchers to the undersigned on or before October 18, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Byron J. Stansfield,
c/o China Import & Export Lumber Co., Ltd.
1426 Yangtzepoo, Shanghai China.

Shanghai, China.

UYEDA'S VISITS TO JEHOL MAY LEAD TO NEW INVASION OF SUIYUAN; DR. H. H. KUNG ARRIVES IN LONDON

(*Continued from page 368*)

some one to assassinate his chief for which he would receive a reward of $100,000. As he had been serving under Lieut.-General Liu for 15 years, he did not wish to kill the latter. He therefore demanded $30,000 from his chief and safe transport by motorcar. If Lieut.-General Liu failed to comply, Wang would have to kill him, the note stated.

The contents of the note handed to General Liu by the would-be assassin Wang, according to a *Ta Kung Pao* report were:

"First page:—Your Excellency: I have now something confidential to report to you. It is something which concerns your own life. Please order your bodyguards to evacuate the room."

"Second page:—Don't be afraid, Mrs. Liu, Somebody has offered me a bribe of $100,000 to kill General Liu. But I don't want to kill my boss, since I have been with him for 15 years. I want you now to do me a little favor."

"Third page:—You must do as I demand. You see I don't want to kill you even though somebody has bribed me of $100,000 to kill you. Now let me have $30,000 and send me out of here with you private car. I will put you on the spot if you raise any alarm. You must realize that your life is worth much more than mine."

REDS TRAINED FOR WAR WITH JAPAN IN SOVIET SCHOOL AT YENNAN, SAYS LEAF

How the Chinese Reds are trained for war with Japan and educated in the tactics and principles of the Soviet Party and the Red Army was described by Earl H. Leaf, *United Press* correspondent, in an article in the *North China Star*, April 23. The unique institution which undertakes this training of the Red youths, according to Mr. Leaf, is the "Chinese People's Anti-Japanese Military and Political Academy," at Yennan, Shensi. This school, established by the "Chinese Soviet Government," has an enrollment of 1,150 students from the inside and outside the Soviet areas, while another 1,000 students are enrolled in the branch institution, the Red Army Infantry School. Girl and boy students from every province of China and from Malay, Korea, Manchuria, French Indo-China and elsewhere came to the Red Academy seeking further political education in preparation for the mass movement of resistance to "further Japanese aggression." Most of those enrolled are Red Army commanders but there are also 350 students from universities and middle schools elsewhere, according to Lin Piao, Chancellor of the Academy. The curriculum of the school varies according to previous education and cultural standard of the students, but aways centers upon preparation for war with Japan. Special attention is devoted in the lower grades to partian organization and guerrila warfare. In the Infantry School, mountain climbing, war tactics and engineering are emphasied. The faculty of the Academy comprises 17 full-time instructors, including Mao Tse-tung, Chu Teh, their wives, Kai Feng, Commissar of Food Supplies, Po Ku, former President of the Soviet Government, Northwest Bureau, Wu Liang-ping, former Chinese Minister to Great Britain, Chen Kang, a former Kuomintang general, and others equally experienced in fighting, agitation and other communist work. The present class began in January, 1937 and will graduate in August of this year. When graduated, they work in the Red Army, in the Soviet Districts, with the Manchurian volunteers and in all other parts of China. In the Chinese areas already occupied by the Japanese army, they will organize secret societies among the peasants in readiness to spring into action on the signal, and also organise strikes and other troubles. In the Kuomintang areas they will no longer press for class struggle but will devote their efforts towards awakening the masses to the need of preparing for war against Japan. The Chancellor of the Red Academy, Lin Piao, is a graduate of the Whampoa Military Academy and a participant in the Northern Expedition under General Chiang Kai-shek. He joined the Red Army after the Red Uprising in Nanchang.

GEN. CHIANG ARRIVES AT HANGCHOW, RETURNED SON REUNITED WITH MOTHER AT FENGHUA

General Chiang Kai-shek, President of the Military Affairs Commission, and Madame Chiang arrived at Hangchow April 30 from Shanghai in their new Sikorsky amphibian airplane, which now holds the distinction of being the first machine to land on the West Lake. General Chiang has gone there for further recuperation. Following the extraction of several teeth in Shanghai, his health has already shown considerable imporvement.

A happy family reunion is being held in Fenghua, Chekiang, where Chiang Ching-kuo, eldest son of General Chiang Kai-shek by his first marriage, is meeting his mother after a separation of 12 long years, according to a *Shanghai Evening Post* report. Accompanied by his Russian wife and their eight-year-old son, Mr. Chiang left Shanghai recently under the escort of several relatives of the Chiang family and arrived escorted to Fenghua where the mother and the son were reunited for the first time since his departure for Moscow from Canton 12 years ago.

CHINA'S ATTITUDE IS "RESISTING JAPAN BUT NOT ANTI-JAPAN," SAYS WANG CHING-WEI

"The attitude of the Chinese people vis-a-vis Japan," declared Wang Ching-wei, Chairman of the Central Political Council at Nanking May 3 while commenting on the Japanese press campaign against China, "may be briefly summarized as one of 'resisting Japan' and not 'anti-Japan.' The Chinese people harbor no ill intentions toward their neighbor, but they are prepared to repulse those who prejudice their interests." Mr. Wang admitted that the sole reason why China has buried herself in the work of national preparedness is to increase her strength of resistence. He likened the country to a patient and said that unless China has the power to resist foreign aggression, she is doomed to perish. He devoted a greater portion of his address to the question of national economic reconstruction, saying that the Central authorities have been working on the problem either collectively or individually since the adjournment of the Third Plenary Session of the C.E.C. Dr. Sun Yat-sen, Mr. Wang continued, already pointed out to us the way to national economic reconstruction. According to Dr. Sun, China's social and economic ills lie in her poverty. His prescription is to develop a state capital in order to undertake major industries. On the other hand, he favored the participation of private capital in small-scale industries under the protection of the State. To some commentators, Mr. Wang continued, Dr. Sun's policy is not thorough enough. Mr. Wang strongly censured such misleading thought, for he said, it is built on two incorrect presumptives. Firstly, the supporters of this school have a wrong diagnosis of China's economic conditions. They place China's poverty on the same plane as the defects of the capitalistic system in Europe and America. Secondly, they labor under the illusion that destruction is an easy task and under-estimate the after effects of radical changes.

Mr. Wang justified the rigid pursuance of the principle of livelihood of Dr. Sun Yat-sen by China for he said that it is the only way out for this country as well as for the world. Even Soviet Russia has shifted from world communism to the new economic policy and later to the two five-year plans. In 1922, Mr. Wang recalled, Lenin openly declared if Russia could enforce state capitalism, she would achieve further success. If China is to proceed with her economic reconstruction, Mr. Wang concluded, her people must act in strict accordance with the panacea as outlined in the principle of livelihood. She should discuss ways and means to develop state capital and at the same time to protdect private industries. Furthermore, present-day China should develop her munition industry. Although it is not a productive form of industry, it is nevertheless vital to the existence of China. Meanwhile, he said, China should not neglect the development of peace time industries since munition and peace time industries are interrelated.

98TH BIRTHDAY OF MA HSIANG-PO TO BE CELEBRATED MAY 16

The 98th birthday anniversary of Ma Hsiang-po, veteran educator and State Councillor of the National Government, which falls on May 16, will be celebrated in Nanking. The oldest living Manchu official, Mr. Ma is the founder of the Aurora and Fuh Tan Universities in Shanghai. He is now living in retirement, devoting part of his time translating Latin works into Chinese.

Ma Hsiang-Po

The first anniversary of the death of Hu Han-min, who was Chairman of the Standing Committee of the C.E.C. at the time of his death, which falls on May 12, will be observed on May 10, two days before the anniversary, according to a circular order issued by the Secretariat of Central Party Headquarters to the various local Party Headquarters. This arrangement is made in view of the fact that the death anniversary of Mr. Hu coincides this year with the day set for the coronation of H. M. King George VI. As a mark of international comity, the National Flag will be flown and a military salute fired throughout the country on May 12 in honor of the new British sovereign.

INVESTIGATIONS ESTABLISH LIU AS INSTIGATOR OF YANG MURDER

As a result of detailed investigations, it has now been definitely established that Liu Lu-yin, close associate of Hu Han-min, late veteran Kuomintang leader, is the real instigator of the assassination of General Yang Yung-tai, late Chairman of Hupeh, reported *Shun Pao* April 30. It has been ascertained that the writing of those secret documents responsible for Yang's assassination corresponds exactly with that which Liu has written in jail on his defense.

THE FUTURE OF SINO-JAPANESE RELATIONS

(*Continued from page 363*)

3. Readjustment of the abnormal conditions now existing in the Hopei-Chahar and Peiping-Tientsin areas (including the restoration of the Chinese sovereign rights in northern Chahar and abolition of the Special Service Bureaus attached to the Japanese army).

Dr. Hu Shih, a philosopher of international reputation, in his article in his own paper (*Independent Review*, No. 231) pointed out that the following must be "first done":

1. The National Government should declare that the Ho-Umetsu Agreement, and the Eastern Chahar Agreement are now nullified.
2. The National Government should hold the Hopei-Chahar-Suiyuan authorities responsible to employ united forces to clear up the bandit-Manchukuo influence in the six hsiens in the eastern Chahar within at specified time.
3. The National Government should employ the national forces to assist the Hopei-Chahar authorities to clear up Eastern Hopei, which has thitherto been occupied by the bandits.

That the Chinese refuse to recognize the Japanese doctrine of *fait accompli* can be shown by the above-mentioned unanimous demands for the abolition of the bogus administrations and return of the occupied territories.

The Three Alternatives

So when the whole situation is analyzed, three alternatives are opened, as follows:

1. China yields, and agrees to talk no more about fait accompli, but only about economic problems.
2. Japan yields, and agrees to talk about both the past and present, and political as well as economic problems.
3. Neither side yields, and both fight out their game.

China has repeatedly told the world that she has been tolerant enough to agree to the Japanese demands, and she could yield no more. It is equally clear that only magic could cause a change of the Japanese China policy. So the situation, as it stands today, is strongly indicates that the third alternative is more likely to be the choice for both sides.

Nanking, May 1, 1937.

Mayor of Canton Denies That Lepers Were Massacred in Western Kwangtung

The reported massacre of fifty lepers in Western Kwangtung, which was widely circulated in newspapers in Shanghai and brought a sharp protest from a medical conference in that port, was branded as untrue in a telegram sent from Mayor Tseng of Canton, to Yeh Hsia-sing, a member of the Legislative Yuan. Reports current in Shanghai were that most of the victims were soldiers, who were executed as a lesson to others. This report was not published in the local papers owing to the censorship. In refuting the shooting story, Tseng Yang-fu stated that on the contrary the provincial authorities have selected a site at Kong Sha Ti, Poon Yue County, where a big leper hospital will be constructed to house these people. The cost of construction will be over $200,000.

The Shanghai Information Office of the National Military Council issued a statement this week that the reports on alleged massacres of lepers in Kwangtung probably were caused by the medical examinations which have been proceeding to separate those in an advanced state of leprosy from those for whom some hope of recovery exists. The Mayor of Canton, Tseng Yang-fu, replied to an enquiry from the Central authorities that the rounding up of lepers had been carried out for hygienic purposes. These unfortunates, according to the Mayor, were increasing in number and had been mixing freely with the uncontaminated population. The action taken by the police was for the protection of the general population, and was not designed to harm the lepers. A new hospital is to be built for the lepers on an uninhabited island called Yuankangsha, in the neighborhood of Panyu.

The *China Times* had stated that the Canton municipal authorities shot and buried 215 men, women and children afflicted with the disease on the night of Apri 25 to 26. The bodies were allegedly thrown into three common graves which were later sprayed with lime. The mass execution, it was stated, followed a futile attempt of the authorities to dispose of the lepers by drowning them in the Pearl River.

According to a despatch from Canton in the *Shanghai Nichi Nichi* May 4, the authorities, after a decision not to shoot the lepers as originally planned, instead decided to send them to the sea in two ships, so that they would eventually be drowned. When these lepers were put on these ships they created much noise on the evening of April 20. The authorities were then compelled to land them at Tzeweiyen. Having failed in the attempt to drown these lepers, the authorities shot them in the evening of April 25 at Tafulin, at the Peiyungshan, near Canton.

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The public is hereby notified that in accordance with Government instructions straw slippers, cup-mats and shoes and other petty articles made of straw will be exempted from export duty on shipment abroad, as in the case of straw bags and mats, as from the 23rd April 1937.

CHU CHANG-NIEN,
Superintendent of Customs.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 29th April 1937.

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Movements and Appointments in Diplomatic and Official Circles

The appointment of Lo Huai as First Secretary of the Legation at Oslo, Norway, was confirmed at Nanking April 28.

Li Yu-cheng has been appointed Commissioner of the Police Bureau of the Tsingtao Municipal Government.

General Ma Lin, Chairman of the Chinghai Provincial Government, arrived in Sian April 30 from Nanking by the Lung-Hai Railway upon his return from his pilgrimage to Mecca.

Liu Wei-chi, reconstruction commissioner for Kwangtung, visited Nanking this week, where he conferred with the Central authorities on the affairs of the southern province.

The Military Affairs Commission has appointed Lieut.-General Huang Chieh, Garrison Commander for the Hsuchow-Haichow Area, as concurrently Garrison Commander for the eastern section of the Lung-Hai Railway.

General Liu Hsiang, Chairman of the Szechuan Provincial Government, is again reported to be suffering "from an old ailment." He is now recuperating at his villa at the Golden Flower Bridge (Chinhuachiao), on the southern outskirts of Chengtu.

Liu Shang-ching, the newly appointed Chairman of the Anhwei Provincial Government, arrived in Nanking April 28. The new Anhwei leader later proceeded to Anking.

The Ministry of Foreign Affairs last week announced the appointment of Chou Lung-hsiang as Chief of the Japanese-Russian Section of the Intelligence and Publicity Department of the Ministry. Mr. Chow succeeds Shao Yu-lin, who was recently transferred to Yokohama as Consul-General.

Gen. Wei Chung-han has accepted the chairmanship of the Foreign Affairs Committee of the Hopei-Chahar Political Council and formally assumed office April 23. Gen. Wei was formerly department director of the War Ministry under the Peking Government and served as commander of the 9th Division and member of the now defunct military rehabilitation commission.

A banquet in honor of the three Mongolian dignitaries—Prince Sho-Ko-Tu-Erh-Cha-Pu, President of the Yeghe Jo (Ordos) League and Chairman of the Local Autonomy Political Affairs Committee of the various Mongolian Leagues and Banners in Suiyuan Province, and Princes O-Chi-Erh-Mu-Yao-K-Tu and Kang-Ta-To-Erh-Chi, Ja-saks of the Dzasak and Dalat Banners of the Yeghe Jo (Ordos) League,—was given by President Lin Sen April 29.

Li Shih-hao, Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council, arrived in Nanking April 22. He visited Wei Tao-ming, Acting Secretary-General of the Executive Yuan, then called on Dr. Wang Chung-hui, Chinese Foreign Minister, for a discussion with regard to the latest conditions in Hopei and Chahar as well as the problem of Sino-Japanese economic cooperation in North China.

Wang Ching has been appointed Officiating Judge and concurrently President of the Chahar Provincial High Court, in succession to Chiang Tieh!chen.

E. Seibert, U. S. Vice-Consul here, has received notice of his forthcoming transfer to the American Consulate-General at Havana, Cuba.

Hugo Valanne, new Finnish Minister to China, presented his credentials to Lin Sen, Chairman of the National Government, May 1.

General Francisco J. Aguilar, the new Mexican Minister to China, presented his credentials to President Lin Sen in Nanking April 30.

A "house warming" party was given by Signor Alberto de Stefani, Italian economic adviser to the National Government, in his new residence in Nanking April 27. Among others present were Signor Guliano Cora, Italian Ambassador to China, and Gen. Silvio Scarons, Italian air adviser to the National Government.

Dr. Wang Chung-hui, Minister of Foreign Affairs, was the host at a dinner given May 1 in honor of Senor F. J. Aguilar, the new Mexican Minister to China.

Dr. C. T. Wang, U.S. Ambassador Designate, Sails for United States

Dr. C. T. Wang, Chinese Ambassador-designate to America, departed for the United States on May 4 aboard the *President Hoover* to take up his post. He was accompanied by his two daughters Yueh-ai and An-fu and his secretary, Liu Yun-fang. Mrs. Wang will sail for the United States at a later date. More than 400 people, including Dr. Wang's friends, relatives and number of high Government officials and leading local businessmen made the trip out to the *Hoover* to say goodbye. Dr. Wang will reach America on May 17, after taking over the affairs of the Chinese Embassy at Washington. Dr. Alfred Sze, the retiring Ambassador, will return to China on May 20.

Japanese in China Celebrate Birthday Anniversary of Emperor

Many Chinese officials, members of the diplomatic corps, pressmen and local Japanese residents called at the Japanese Embassy in Nanking, April 29 to offer their congratulations on the 36th birthday anniversary of the Japanese Emperor. Shanghai's Japanese community held an elaborate celebration on the same date. Official receptions were held both at the Japanese Consulate-General and at the official residence of Noritake Yoshioka, acting consul-general, 128 Seymour Road. Sports events, Japanese broadsword, fencing and jiujitsu contests, bayonet drill and archery were among the events that marked the day's celebrations.

Mr. Kato, First Secretary of the Japanese Embassy is making a tour of inspection in Manchuria. He expects to return to Peiping middle of the month.

Phya Srishtikar Banchong, Vice-President of the Siamese Board of Railways, was decorated by the Japanese Emperor April 30 with the Order of the Sacred Treasure, Second Class, in appreciation of his services for the promotion of friendly relations between Japan and Siam.

U.S. House of Representatives Approves Army Appropriation Bill

The House of Representatives April 30 approved an appropriation of $416,413,382 for the Army in the next fiscal year. This appropriation, which is $25,037,000 more than the sum available in the current year, was recommended by the Appropriations Committee of the U.S. House of Representatives April 27. In submitting the recommendation the Committee, which reported a shortage of tanks, armored cars, semi-automatic rifles, anti-aircraft guns, ammunition and motors, issued a warning that "unless there was to be an appreciably larger allocation for the military arm in future budgets, our defence preparations would very largely consist of man-power unequipped, unimplemented and virtually unprepared to offer resistance to any force equipped with modern offensive weapons."

A new mobilization plan was approved by the Committee, providing for war-time infantry divisions of 13,000 men instead of 22,000, as at present. This, it is stated, will "result in a very considerable reduction in war reserve requirements." An expenditure of $67,075,000 was also recommended for the Army air service, including the construction of 513 new airplanes.

Golden Gate Bridge Completed—Chinese Girl Takes Part in Ceremony

The insertion of a sixteen-ounce, fourteen karat gold rivet at San Francisco April 28 signalized the completion of the $35,000,000 Golden Gate Bridge. Yim Shun Heong, seven year-old Chinese who is the grand-daughter of Yim Yin Kow, a participant in the 1869 ceremony of the completion of the Union Pacific Railway across the continent when a golden spike was driven to hold the last rail, assisted at the bridge-completion ceremonies.

The Golden Gate Bridge is 8,940 ft. long, with a centre span of 4,200 ft. hung from towers rising 742 ft. above the water. It was begun Feb. 26, 1933.

Gold Purchase Resolution Would Make $25 an Ounce the Maximum Price

The Gold Purchase resolution, which would prevent Secretary of the Treasury Morganthau from paying more than $25 for foreign gold, was moved by Hamilton Fish, Republican Representatives from New York, in Washington April 29. The measure was referred to the appropriate committee where its speedy interment was expected. Despite this, however, the resolution provoked a debate in the House of Representatives, which reflected the dissatisfaction felt in many quarters over the Administration's gold policy.

U.S. Supreme Court Upholds Constitutionality of Cocount Oil Tax

By unanimous vote, the U.S. Supreme Court May 3 upheld the constitutionality of the three-cent tax on coconut oil. Treasury officials stated that they expected early payment of coconut-oil taxes to the Philippines to follow.

President Roosevelt Signs Compromise Neutrality Bill

President Roosevelt May 1 signed the compromise Neutrality Bill on board the destroyer *Moffett*, off Port Arkansas, Texas.

The *United Press* stated that the new U.S. neutrality bill (which is a compromise between the McReynolds and Pittman bills) confers on the President wide discretionary powers to invoke a "cash and carry" policy for the purchase of any materials in the United States by belligerent nations. The prohibition of arms and munitions exports to warring nations has been approved by regulations of the National Munitions Control Board.

Who's Who in China

General Wang Ching-kuo, army commander; born at Wutai, Shansi, 1893; graduated from the Paoting Military Academy in 1918; following which he returned to Shansi to enter active army service under the command of Marshal Yen Hsi-shan; when the Nationalist Northern Expedition was launched in 1926, he had already been Commander of the 5th Division of the Shansi Army; he took part in the capture of Paoting and Peking in 1927; appointed Commander of the 5th Army the following year; transferred as Garrison Commander of Suiyuan, 1929; appointed Commander of the 70th Division, 1931 and concurrently served as Garrison Commander of the communications of West Suiyuan; since 1932 he has also served as Acting Director-General of the Bureau of Land Reclamation by Soldiers in Suiyuan (Marshal Yen Hsi-shan being the Director-General); in 1936 he was appointed Commander of the 19th Army; made Commander-in-Chief of the Reserve Forces last November, when Suiyuan was invaded by Mongolian irregulars backed by "certain quarters"; Address: 5 Tien Di Tan, Taiyuan, Shansi.

王 靖 國

General Wang Ching-kuo

王靖國，別號治安，年四十五歲，山西五台縣人，保定陸軍軍官學校第五期步科畢業，歷充排連營團旅師軍長，綏遠全省警備司令等職，現任陸軍第十九軍軍長兼第七十師師長，綏西護路司令，晉綏勦匪軍總預備軍司令官，代理綏區屯墾督辦(督辦爲閻錫山)，通訊處：山西太原天地壇五巷九號。

"Spanish" Priest, Sued for Defamation, Claims Italian Nationality

A contest over the nationality of Father P. Cerezal, Vice-President and Managing Director of the American Securities Corporation, Federal Inc., U.S.A. (Spanish Fathers), has arisen as a result of a suit brought against him by Joachim Sanchez, former Shanghai importer and exporter, in the Shanghai First District Court charging defamation of character. The Shanghai *Evening Post* says that Father Cerezal, although a member of the Spanish Mission claims Italian nationality and the Italian Consulate-General has confirmed that claim. The point at issue is that if Father Cerezal is Spanish he would be subject to Chinese jurisdiction. Mr. Premet, French lawyer, in asking the Chinese Court last week to issue a warrant for the arrest of the priest stated that Father Cerezal appears on the books of the United States Department of Commerce as a Spanish citizen, and added that the American office has not yet received any notification of a change in the priest's nationality. Father Cerezal's name was registered with Department of Commerce several years ago when the American Securities Corporation was formed. The business of this concern is to handle the financial affairs of what was formerly the Augustinian Procuration.

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The National City Bank of New York, Rates of Exchange

Shanghai, May 5, 1937

Demand selling rate on America:	U.S. $1.00=Sh. $ 3.35
Demand buying rate on America:	U.S. $1.00=Sh. $ 3.33
Demand selling rate on London:	£1.0.0=Sh. $16.55
Demand buying rate on London:	£1.0.0=Sh. $16.41

Men and Events

Scarlet fever has broken out in Kufoo, the birthplace of Confucius, in south-western Shantung.

The China Educational Cinematographic Society held its sixth annual conference in Nanking, May 4 to 6.

Lieut.-General Yang Hsiao-ou, Commander of the 34th Army, died in Taiyuan April 30 of cholera. The deceased was 44 years of age.

Frederick Hennessy, a member of the famous French brandy house of that name, was a visitor to Shanghai last week. Mr. Hennessy is a British subject.

China will be represented at the forthcoming Second International Trade Conference, to be held in Paris June 1, by Lin Shih, Chinese Consul-General in Paris.

L. A. Fritchman, Vice-President and Assistant General Manager of the Shanghai Telephone Company, has retired from his position. He will sail for America on May 16.

Local correspondents of American newspapers were guests of Admiral Harry E. Yarnell and Staff Officers at luncheon aboard the Flagship *Augusta* on Saturday, May 1.

Miss Ellen Thesmar, daughter of Mr. and Mrs. Joseph Thesmar, was married to John Berents, son of Mr. and Mrs. Hans Berents, of Shanghai in St. Pierre's Church, May 1.

Current rumors that the Overseas Chinese Affairs Commission will shortly be abolished were formally denied by Chen Shu-jen, Chairman of the Commission, in Nanking, May 2.

Dr. J. Usang Ly, President of Chiao-tung University has returned from Nanking where he spent several days attending conferences dealing with educational and cultural affairs.

The death occurred in New York April 29 of Norman Hapgood, noted editor and author, at the age of 69. For ten months in 1919 he was American Minister to Denmark.

Mrs. Barnes Moss, long a resident of Shanghai, died in Los Angeles on April 29 of heart trouble. She was the widow of Barnes Moss, whose death occured here last November.

Madame A. Roubé-Jansky, correspondent for the Paris *Soir*, held a reception at the Cathay Hotel in Shanghai April 29. She sailed for the United States May 4 on the s.s. *President Hoover*.

A record number of 231 members attended the sixth spring bi-annual meeting of the Shanghai Newspapermen's Association which was held at the Chinese Y.M.C.A. in Szechuen Road May 2.

Hundreds of lives are being claimed by an epidemic of cholera which is raging in Bangkok, Siam. A similar epidemic in southren Fukien province caused the deaths of more than 300 persons last month.

Prof. Dr. N. Stuebel delivered a lecture on "The Aborigines of Hainan Island" (illustrated with slide pictures and film), before the North China Branch of the Royal Asiatic Society in Shanghai, May 6.

Sun Fo, president of the Legislative Yuan, accompanied by Messrs. Fu Ping-chang and Wu Shang-yi, members of the Legislative Yuan proceeded to Hainan Island this week on an investigation tour.

Miss Jasmine Eddy and Dr. Stephen Jensen, both members of prominent Seattle families, were marred at Holy Trinity Cathedral in Shanghai May 1. They are spending their honeymoon in Peiping.

At a meeting of the British Chamber of Commerce and China Association held last week, R. Calder Marshall was re-elected Chairman and W. S. King re-elected Vice-Chairman for the current year.

William M. Garland, American member of the International Olympic Committee, accompanied by his wife, son and daughter-in-law, are at present making a tour of North China and will later visit Shanghai.

To expedite the delivery service, the Directorate General of Posts in Nanking has decided to order a large fleet of motor trucks to do heavy duty in the transportation of mail matter on the nation's highways.

Kyukei Munakata, Director of the Bureau of Bonds of the Bank of Japan, will depart from Kobe on May 7 for a month's tour of inspection in China. He will visit Shanghai, Hankow, Canton and Hongkong.

A reward of $5,000 has been posted at Hongkong for the arrest of Yeh Po-wen, cashier of the Hongkong branch of the Kuangtung Provincial Bank, who is alleged to have absconded with $100,000 of the Bank's funds.

The death occurred recently of Frank Yongju Kim, editor of the *Seoul Press*, in Keijo. He was the eldest son of Junsho Kim, former Minister of the defunct Korean Government to the United States and was a graduate of Colorado University.

Chinese girls get married too early, thus depriving themselves of the opportunity to render active service to society, Miss Ishiwara, reporter of the Japanese *Oriental Economic Journal*, who is now studying the feminist movement, declared in Nanking, April 28.

Mrs. John E. Williams, widow of the late Dr. John E. Williams, former vice-president of the University of Nanking who was killed at Nanking in 1927, is at present on her way to China for a visit. She is accompanied by her daughter, Mrs. T. A. Bisson, and her son-in-law, who is visiting this country on a year's fellowship granted by the Rockefeller Foundation.

Henri Lambert, general manager of the Banque Belge pour L'Etranger, resident in Shanghai, has been awarded the French Legion of Honor. M. Lambert, who is a Belgian citizen, has spent many years in China, where, before taking his present position, he was Chief Engineer of the Lunghai Railway.

Miss Li Ming-hui, a well-known Chinese film actress, accompanied by Miss Tung Yu-chiao, Shih Tao-shang, director, and Mr. and Mrs. Chang Shen-fu, were guests of honor at a luncheon given by the managers of several picture houses at the Tung Hsin Lou Restaurant in Peiping April 21.

Figures for export quotas were fixed at a plenary session of the International Sugar Conference in London April 28. A final agreement was only reached by a material addition to the figure for a free market which, it is now understood, stands at 3,700,000 tons. The proposed agreement will be for five years.

Mr. and Mrs. J. B. McEvoy, of the staff of the *Saturday Evening Post*, recently departed from Shanghai on a Swedish freighter for Europe, calling at Singapore, Nanking, Triopli and other intermediate ports. These two well-known authors were entertained at a luncheon party by Chester Fritz before their departure from Shanghai.

Tsao Yu-shan, son of Gen. Tsao Kun, one-time President of the defunct Peking Government, was arrested at his residence in the British Concession at Tientsin April 27 on charges of criminally assaulting his wife. Mrs. Tsao, nee Miss Yuan Hu-chen, is one of the daughters of another ex-President, the late Marshal Yuan Shih-kai.

Dr. Leighton Stuart, President of Yenching University, spoke informally to a group of invited guests at a tiffin held at the Foreign Y.M.C.A. on May 4. The subject of his address was Sino-Japanese relations in North China. The tiffin was under the auspices of the International Friendship Committee of the Community Church.

The Japanese newspapers in Shanghai relate that as a result of the increased price of metals due to the demand for war materials the sum of Yen 1,000 recently given by the Japanese Residents' Association to the Higashi Honganji Temple in Wuchang Road, for the purpose of buying a new bell, will now only cover about one-half of its price.

On April 30 the Shanghai American School held its annual May Day Pageant (indoors because of rain). Mary Alice Jones as Her Majesty, the Queen, presided over a court of children of all ages dressed in resplendent silks and velvets. While she sat upon her throne a multi-colored pageant was produced for her edification and that of the many friends of the school.

Sho Seto, one of the four Japanese attacked by a Chinese mob in Chengtu, Szechuan, on Aug. 24 last, left Shanghai for Japan this week, to pay his respects before the graves of the two newspapermen who were murdered before his eyes. The local Japanese newspapers stated that during his month's sojourn in Japan, Mr. Seto will also call at the Navy and Foreign Offices to express his thanks for their intervention on his behalf.

The question of how many British missionaries had been kidnapped and murdered in China during the past year, was put by a Labor member in the House of Commons April 28. He also requested a general statement on the position of missionaries in China. In reply, Anthony Eden, Foreign Secretary, said that there had been no British missionaries kidnapped or murdered. Cheers greeted his announcement.

A three-days deadline was set May 2 by Dr. Chu Chia-hua, Chairman of the Chekiang provincial government, for the police authorities to effect the rescue of Hsu Pao-hua, Sub-Manager of the Kincheng Banking Corporation, Nanking, from the hands of kidnappers. Mr. Hsu was carried off by bandits on April 18 on the Nanking-Hangchow highway together with Zee Po-yuan, Manager of the Bank of Communications in Tientsin, but the latter was liberated on April 28.

The headquarters of the Pacification Commissioner of Hopei and Chahar has issued a proclamation saying that curio dealers who receive stolen goods from tomb robbers shall be liable to the same penalty as the miscreants when they are found guilty. During the last few months the tomb of many Manchu princes and princesses in the vicinity of Peiping have been robbed by bandits of their treasures, these invariably finding their way to the shops of curio dealers in Peiping.

A detailed statement on measures for the treatment of juvenile delinquents in China and also for the well-being of children, was given by Dr. Victor Hoo Chi-tsai to the League Advisory Committee on social question in Geneva, April 28. Dr. Hoo gave strong support to the proposal made at the recent conference at Bandoeng when it was suggested that a bureau of information and liaison in the Far East in connection with traffic in women and children, should be established in Shanghai.

The sixth annual Journalism Week of the Department of Journalism at Yenching University will take place on May 6, 7 and 8, according to information from Peiping Chinese sources. The general subject for discussion has been set as "The Mission of the Chinese Press To-day." The speakers for the three days will be Chang Chin-nan, news editor of the Tientsin *Ta Kung Pao*, J. B. Powell, editor and publisher of the *China Weekly Review* and Professor Tao Hsi-sheng of the National University of Peking.

Miss Gertrude Margaretta Peppard, daughter of Mr. and Mrs. M. Ramon Peppard of New York City, and Lieutenant Joseph Hunt Bourland, son of Wm. M. Bourland, and the late Mrs. Bourland, of Clarendon, Texas, were married in Shanghai May 1.

Tientsin advices state that deep concern is being felt over the increasing number of corpses found in the Haiho recently. Five more bodies were found April 26 floating in the lower reaches of the river. Last year around 400 bodies were found floating in the river. An official investigation into the origin of the floating corpses has been ordered by the Tientsin Municipal Government, in a circular order to the land and river police authorities. Most of the corpses look like laborers, and bear marks of violence.

The Russian community in Shanghai, which is overwhelmingly White, enthusiastically celebrated the old-calendar (Greek Church) Easter on May 2. This year the Greek celebration came five weeks later than the Easter celebrated in countries observing the Gregorian calendar. Although there is only 13 days' difference between it and the old Julian calendar, the Easter festival, being fixed in its relation to the first full moon following the Spring Solstice, its celebration by the Greek-Russian Church came at a very late date this year.

Lieutenant Thomas Hedges Massie, American naval officer who five years ago figured in the "honor slaying" in Hawaii, has arrived here to take up duty on the *U.S.S. Tulsa*. With him is his bride of two months, the former Miss Florence K. Storms, a Seattle secretary and daughter of the postmaster of Chewelah, Washington. Lieut. Massie was divorced several years ago from his first wife, Mrs. Thalia Fortescue Massie, who was allegedly the victim of an assault by five Hawaiian natives in January, 1932.

A girl from Shanghai is one of two Chinese artists who will have their pictures hung in this year's exhibition at the Royal Academy in London. She is Miss Shou Pi-yang, who originally studied in Shanghai but went to England about 18 months ago and has since studied partly in England and partly in France. The other Chinese who has gained the coveted distinction is T. H. Chiu, a former pupil of the Royal Academy School, where he won six prizes and scholarships. Miss Shou and Mr. Chiu are the first Chinese ever to be thus honored.

Swelling the concentration of foreign war vessels in port, three Japanese men of war arrived in Shanghai May 1. They were the mine-layer *Yaeyama*, flagship of Rear-Admiral Umataro Tanimoto, commander of the Eleventh Squadron, detailed for Yangtsze patrol duty; the light cruiser *Yubari*, flagship of Rear-Admiral Masakichi Okuma, commander of the Fifth Torpedo Boat Flotilla, assigned to the South China patrol, and the light cruiser *Tenryu*, flagship of Rear-Admiral Masasuke Shimomura, commander of the Tenth Squadron, on duty in along the North China coast.

The Commanding Officer and Staff of the Fourth Regiment, U. S. Marines were hosts at a reception at the American Club on Friday afternoon, April 30. Those in the receiving line included Col. Charles F. B. Price and Mrs. Price, Admiral and Mrs. Harry E. Yarnell and Col. H. C. Pierce. Several hundred guests including officers of the U. S. Marine Corps and U. S. Fleet and their wives and members of the local American community attended. The arrangements were made by Chaplain W. E. Burke, First-Lieut. E. R. Smoak and Lieut. J. H. Paul.

Brig. Gen. Henry G. Learnard, U.S.A., retired, the first officer during the China relief expedition in 1900 to scale the walls of Peking, and a veteran of the Philippine insurrection and the world war, died in Walter Reed hospital at Washington Mar. 7. The death of another veteran who had seen service in China was reported from New York April 27, when "Devil Dan" Daly, former sergeant of the United States Marines, died at the age of 64 of heart disease. The famous sergeant wore eleven medals and possessed innumerable citations for bravery received while serving with the Marines in China, Haiti, Vera Cruz and France.

One of the most celebrated trials in Peiping history was brought to a temporary close April 29 when the Peiping District Court gave judgment in the so-called East Station trunk murder case. Li Liang-chin was found guilty of complicity in the murder of Liu and sentenced to death. Wang Yu was convicted of concealing fugitives from justice and sentenced to one year and two months' imprisonment. Mrs. Wang, wife of General Wang Hua-I, the principal in the case, who is still at large, Mrs. Liu, wife of the murdered man, Wang Ching-hua, a nephew of Wang Hua-I and Hoh Mei-seng, a dancing girl, were found not guilty and released.

W. L. Holland, Research Director and Secretary of the Institute of Pacific Relations, arrived at Shanghai April 28 from the United States aboard the s.s. *President McKinley* after spending one week in Japan. In an interview he stated that the Institute is planning to publish in China eight or nine books on research reports completed by Chinese and foreign scholars during the next few weeks. These reports have been compiled by research workers in the University of Nanking, Nankai University and the Institute of Economic and Statistical Research. The books will include the works of Professor J. Lossing Buck, Dr. Franklin Ho, H. D. Fong, Dr. D. K. Lieu and others.

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New Books of Interest in the Far East

Japan in World Economics

Japan in World Economics, by Emil Lederer, Reprinted from the February 1937 issue of Social Research, published by the Graduate Faculty of Political and Social Science of the New School for Social Research, 66 West 12th Street, New York City. 32 pages. Price 25 cents.

In less than forty pages and divided into four sections of (1) Population and Agriculture (2) Industrialization and Foreign Trade (3) Recent Changes in Economic Structure and (4) The Future, the author makes a comprehensive survey of the phases of Japan's economic position, touching occasionally some of the subtle aspects of Japan's social life. Despite his obvious efforts to avoid the political issue, here and there the reader finds references to Japan's political ambitions.

The question of population looms prominent throughout the analysis. It was the saturation of agricultural population that decisively pressed behind Japan's great expansion of industry and foreign trade. It was the cheap labor market overflowing with disciplined and frugal workers that enabled Japan to undersell others in the world market and to make big inroads into foreign territories. It was again due to the static position of the low wages that retarded a normal ad ustment of the domestic prices to the new yen exchange, thus giving an additional impetus to the increase of exports. Looking into the future, the author gives the impressive, if not astounding, estimate that, with the impending increase of population at the rate of over a million every year, Japan will double her foreign trade within the next decade, without, however, any prospect of a solution for her economic difficulties.

The statistical tables, which give the reader a partial picture of the "aggressive" character of Japan's foreign trade and its magnitude, and the analysis proper make constant comparisons of Japan's position with those of Germany and America. This situation of Germany in 1882 presented striking similarities to Japan's present position. But in forecasting the future trend, the author is well aware of the differences between the two nations.

Probably of particular interest to China at present is the detailed account of the factors that have brought about the great expansion of Japan's foreign trade. The primary factors are (1) the steady growth of population and (2) the lack of raw materials. The contributive factors are (1) low labor cost, (2) low exchange rates (3) lagging of domestic prices, (4) tremendous increase of armament imports and (4) the dramatic collapse of raw silk market. In unmistakable words, characteristic of the entire analysis, the author makes an exhaustive analysis of the above factors.

G. E. CHEN.

Shanghai, April 30, 1937.

History of the Chinese Eastern Railway

International Controversies over the Chinese Eastern Railway. By Tao Shing-chang. The Commercial Press, Ltd., Shanghai, China.

The focusing of the world's attention upon the Manchurian issue has called forth the appearance of this monograph devoted to the study of the history of the Chinese Eastern Railway.

"The Chinese Eastern Railway was born in sin," says the author, "it was bound to breed trouble." During its life imperialism has always been the dominating factor. Russia, Japan, England, the United States and China have actively participated in the scramble to control it." To the analysis of the major international disputes over the railway during the period of time from 1895 to 1935 is given up this valuable work which is not merely an historical study but a study of international politics and law as well.

Discussed at length are the following important issues: The Origin of the Chinese Eastern Railway, American Role in the Chinese Eastern Railway, Jurisdictional Conflicts over the Administration of the Road, Japanese Encroachment upon the Chinese Eastern Railway during the world war, The Sino-Soviet dual management of the Chinese Eastern Railway (1924-28) The Sino-Russian Crisis of 1929. Russia's Proposal to sell her interest in the Chinese Eastern Railway and The Cession of the Chinese Eastern Railway by Russia to "Manchukuo." The author's conclusions to which the final chapter of the book is devoted, are worthy of note. They disclose the quite unusual understanding of the problems of International Law and means of attainment of world peace.

For its purpose this book is to be highly praised. Obviously the author had his material well in hand and knew in which form to offer it to the reader. Attached to the volume is a Bibliographical Index.

A. G.

Carl Crow's "Four Hundred Million Customers" Well Received in London

An excellent review of the book entitled "Four Hundred Million Customers" by Carl Crow, head of the advertising agency in Shanghai which bears his name, appears in the London *Sunday Times* Mar. 21, written by Sir Herbert Morgan. In his review, Mr. Morgan does not omit Mr. Crow's note on how he helped to introduce poker into China.

"The business side of his book," says the reviewer, "will be of immense interest to all who are concerned in the export trade, but I must be careful not to give the impression that it will be of interest to no one else. It is useful to know Mr. Crow's conclusions on the fidelity of the Chinese to a proprietary brand of any article to which they have grown accustomed. It is useful to read his judgment that one of the great difficulties of the marketer of proprietary products in China is to make the retailer sell at a profit to himself: he is apt to undercut his rivals until he is selling at a loss, and, therefore, though he continues to make a display of the brand, does not wish to push it.

"But this necessity of grappling with business problems has been Mr. Crow's gate into the life of the Chinese. He has a great deal to say about the importance of 'saving face' and of the national objection to 'breaking a man's rice bowl' (which means depriving him of his livelihood), passages of interest from the commercial point of view, but also of a much wider significance. His remarks on Chinese business honesty and methods are extraordinarily human and illuminating."

Color Schemes in the Home

Color Schemes for the Modern Home, by Derek Patmore, new edition revised and enlarged. London: The Studio Limited, 44 Leicester Square, C.2. New York, The Studio Publications Inc., 381 Fourth Avenue.

Personality is reflected in your home and for those of us who are not endowed with imaginative ideas along the lines of interior decoration, or seek new ideas in coor schemes, fabrics, furniture, lighting, etc., this book will serve as an excellent guide for the astute home-planners thoughout the world. The original volume, of which already three impressions have been made, necessitated this edition which has been enlarged and revised bringing it up to date, and includes four new color plates.

Even a novice can obtain a wealth of suggestions, for each description of an actual interior is accompanied by a color photograph and together they provide a large variety of schemes and color combinations, which can transfer a drab interior to one with sunlight, gay and cheerful colors, all in relation to the most modern trend in re-decorating. Color plays such an important part in our daily lives, definitely on our dispositions and personalities, and heretofore this important subject of color has not been given its due significance. This book opens up endless ideas for new and beautiful schemes, for color "is the talisman that Nature has placed in our hands—let us try and use it to the best of our abilities."

While the book is not intended as a text book a very interesting and informative portion has been devoted to the psychology of color, enumerating the twelve principal colors of the spectrum, how they blend and how they can be used to bring out sharp contrasts. All these things are illustrated, showing how one modern architect and interior decorate have worked out these puzzling problems to the home maker's best advantage.

M. P. W.

The Puget Sound Country

Kopet Alta. By Edward Harper Thomas. Caldwell, Idaho: The Caxton Printers, Ltd. 1936. 232 pages. U. S. $2.50.

The personality of the land is strongly felt in this novel of the Puget Sound Country. The old Indian tribes who once lived there are linked to the present through Nesallich, an old Skagit woman who returns to her land to die. The author is at his best in his recreation of the vanished Indian life, which seems more living than do the emotional problems of Barbara Elwell who occupies the center of the story.

The author is a newspaper man, as well as an authority on Indian lore of the section of the western part of the United States which forms the background for this his first novel. Both influences are evident. The novel has the speed and sketchiness of journalistic writing. It lacks the more leisurely development and polished form which should characterize the novel.

F. M. R.

Central Bank Bulletin Contains Valuable Financial Information

The quarterly *Bulletin* of the Central Bank of China has just been issued by the Economic Research Department of the bank. It contains a number of interesting articles by prominent Chinese financiers. Among the articles included are "Important Changes in Chinese Land Tax Since 1912" by C. P. Chow; "The Shanghai Bankers' Joint Reserve Boards," by Chen Shao-teh and Chang Shan-pao; "A Brief Survey of China's Public Finance, 1912-1936," by L. P. Chao; and "Modern Banknotes in China" by E. Kann.

In addition to these articles the *Bulletin* also contains interesting documentary material covering such subjects as China's foreign trade in 1936, report of the Joint Reserve Board, and the report of the Shanghai Bankers' Acceptance House for 1936. The texts are given of the Labor Contract Law, and the Minimum Wage Law, as well the Provisional Regulations Governing Laborers' Savings. Statistical tables cover the bank's activities during the past year.

Chinese Police and Military Authorities Take Precautionary Measures During May

Precautionary measures to forestall any possible disturbances in the month of May have been devised by the Chinese military and police authorities of the City Government of Greater Shanghai. Martial law is being declared in the Greater Shanghai area beginning as from May 1 for one month. Additional policemen have been posted at all vantage points and special officers will be dispatched to boundary lines of the different administrative areas to search pedestrians and cars.

The Shanghai-Woosung Garrison Headquarters and the Shanghai Peace Preservation Corps will assist the police in patrolling the streets and maintaining peace and order, while the police authorities of the International Settlement and the French Concession will also be asked to cooperate in the matter.

Labor Day Observed by Mass Meetings in Nanking and Shanghai

Labor Day was observed at a mass meeting held at Nanking May 1 under the auspices of the Nanking Workers' Welfare Society. It was decided to despatch a telegram of "comfort" to General Chiang Kai-shek, to urge the Ministry of Foreign Affairs to unilaterally abolish the system of extraterritoriality; and to petition the various Party and Government organs concerned to observe the Law governing the Election of Delegates to the National People's Congress in the election of labor delegates. Similar meetings were also held in other parts of the country, according to reports received from Peiping, Hankow, and Canton.

Labor Day was commemorated at a memorial mass meeting held during the forenoon of May 1 at the Penglai Theater, Nantao, suburb of Shanghai. Attended by more than 500 persons representing all walks of life, the meeting was presided over by Chow Hsueh-hsiang, executive members of the General Labor Union. In the course of a speech, Mr. Chow traced the origin of Labor Day. Li Ching-shih, member of the City Kuomintang Headquarters, also spoke at the meeting, urging closer cooperation between Chinese employers and employees in working for human welfare.

C. M. Reed, Vice-President of California Ink Company, Visits Shanghai

C. M. Reed, Vice-President of the California Ink Company, arrived in Shanghai on April 9 and will stay here until May 12 taking care of business details attendent on the death of Elton Colt, formerly manager of the Far East Division of the Company. Mr. Colt's place is being taking by Paul E. Derby, of Seattle, who arrived here on April 13 to take up his duties. Both officials are well pleased with business prospects in the Far East and are of the opinion that the boom which has hit the west coast of the United States will also be experienced in Shanghai.

Do You Know This About Malaria?

Though great strides have been made by Science in its fight against Malaria, this malady still remains one of the worst menaces to health in many parts of the world. Once contracted, the fever is liable to recur periodically, each attack leaving the victim in a more weakened condition.

Malaria is acquired through the bite of an infected mosquito which introduces the parasite into the human blood. If the blood is pure and strong it resists and overcomes the infection. So the best precaution to adopt against malaria is to keep your blood rich, red and plentiful. If you are already a malaria victim your immediate need is to improve the quality of your blood stream, for which purpose there is nothing better than Dr. Williams' Pink Pills, the famous blood builder and blood purifier to the merits of which many men and women, formerly malaria sufferers, like yourself, have gratefully testified.

The prescription of an eminent British physician—an M.D. of Edinburgh University—Dr. Williams' Pink Pills are recommended, not only as a restorative of health and strength after malaria and other weaking fevers, but as a specific in all forms of ill-health arising from impoverished blood or rundown nerves, such as anaemia, nervous debility, early decay, indigestion, rheumatism in all its forms, influenza's after effects, general weakness, as well as for the aches and ills peculiar to the female sex. At chemists everywhere.

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Students Going Abroad Must Be Approved by Ministry of Education

Students despatched abroad on public scholarships must first be approved by the Ministry of Education, according to a circular issued by the Executive Yuan to the various Government organs concerned. This measure is intended to ensure that the studies to be pursued by such students shall be better adapted to the pressing needs of this country in national reconstruction.

Chinese Superintendent of Educations Departs for Tour of Europe

Hsieh Shu-ying, Superintendent of Education of the Ministry of Education, sailed for Europe on the s.s. *Potsdam* April 23 on a tour of Austria and Hungary.

Chow Ping-lin to Proceed to Nanking in June

Chow Ping-lin, Dean of the College of Law of the National University of Peking and Vice-minister-designate of Education, will leave for Nanking early in June to assume his new post, according to information from Chinese sources in Peiping. Dr. Monlin Chiang, Chancellor of the University, will take over Mr. Chow's duties as Dean, while his teaching work will be divided among the members of the law faculty.

Three Nanking Primary School Boys Run Away With Object of Becoming Monks

Lured by the serenity of monastic life as depicted in picture strips commonly found at roadside Chinese book-stalls, three students of the Futsemiao Primary School have secretly left home for Wutaishan, Buddhist Mecca in Shansi, with the avowed purpose of becoming monks. The Nanking Bureau of Social Affairs has requested the police authorities to locate the missing students. In addition, the Bureau has issued orders banning the sales of such picture strips.

Tu Yueh-sen Donates $100,000 to Fuh Tan University at Kiangwan

Tu Yueh-sen, prominent Chinese banker in Shanghai, has donated $100,000, which he received as gifts from his friends for his 50th birthday, to Fuh Tan University at Kiangwan. The funds, it is learned, will be used for the construction of a science hall.

Aw Boon Haw to Contribute $35,000 for 10 Schools in Kweiyang

Aw Boon-haw, Chinese medicine magnate in Singapore, will contribute $35,000 to the Kweichow Provincial Government for the establishment of ten primary schools at Kweiyang, a recent message from said city stated.

China Agricultural Economics Society Inaugurated

The China Agricultural Economics Society was inaugurated at the College of Agriculture of the University of Nanking, May 2.

Manchukuo Not Attending World Educational Meet in Japan, Dr. Paul Monroe Says

A definite assurance that representatives from Manchukuo will not attend the forthcoming World Federation of Educational Associations conference in Japan in August was given by Dr. Paul Monroe, president of the organization and professor at Columbia University, in an interview shortly after his arrival in Shanghai April 28. Dr. Monroe revealed that last year representatives of the Third International were sent from Moscow to attend the Conference but the Association did not welcome or receive them. The German application sent in two years ago was also not voted upon but it was quite possible that it would be accepted at this year's conference, Dr. Monroe added. The German delegation is definitely planning to attend the Japan meeting on August 2-7.

Dr. Monroe, who stopped over in Japan three days before coming to China, revealed that the Japanese educators were very anxious that Chinese representatives would attend this meeting. He said that he would regret it very much if China was not represented.

Dr. Paul Monroe and Dr. Wang Shih-chieh Will Visit Szechuen Province

Dr. Paul Monroe, famous American educator and Dr. Wang Shih-chieh, Minister of Education, will go to Szechuen in the near future to inspect the educational conditions in the province, the *Hwa Mei Wan Pao* of April 29 stated.

Dr. Tsai Yuan-pei Returns to Nanking

After an absence of six months, Dr. Tsai Yuan-pei, China's veteran educator and President of the Academia Sinica, arrived in Nanking May 1 with Mrs. Tsai. Dr. Tsai was welcomed at the station by Dr. Chu Chia-hua, Chairman of the Chekiang Provincial Government, Dr. Wang Shih-chieh, Minister of Education, and a group of local educators. Dr. Tsai, attended the third annual counsellors' meeting of the Academia Sinica, of which he is the President, held in Nanking this week.

Trustees of China Foundation Pass Grants-in-Aid for 1937-38 Budget

The budgets for administrative expenses, and direct and joint enterprises of the China Foundation and the grants-in-aid to educational and cultural institutions, totalling around $1,600,000 Chinese currency and U.S. $38,600, were passed by the Board of Trustees of the Foundation at the 13th annual meeting held at the Shanghai office of the Academia Sinica April 30. The following were elected to serve on the China Foundation for the ensuing year:

Chairman, Dr. Tsai Yuan-pei; Vice-Chairmen: Dr. Paul Monroe and Dr. Y. T. Tsur; Honorary Secretary, Dr. Hu Shih; Honorary Joint Treasurers: C. R. Bennett and S. G. King; Members of the Executive Committee: C. R. Bennett, S. G. King, Dr. J. L. Stuart; Members of the Finance Committee: J. E. Baker, Singloh Hsu, J. A. Mackay; Assistant Treasurers: W. A. Staley and L. T. Yip. Messrs R. S. Greene, Paul Monroe and Y. T. Tsur were unanimously re-elected trustees of the board.

Sun Yat-sen Institute Directors Hold Annual Meeting at Nanking

The fourth annual meeting of the Board of Directors of the Sun Yat-sen Institute for the Advancement of Culture and Education was held in Nanking May 2 under the chairmanship of Sun Fo, President of the Legislative Yuan and concurrently Chairman of the Board. After several reports were submitted and adopted, the program of the Research Department for 1937 was revised and approved.

Beginning from the next academic year, three private universities will be added to the list of cultural and educational institutions obtaining annual subsidies from the Ministry of Education. These include the Fuh Tan University in Kiangwan, Shanghai, which will receive an annual grant of $180,000; the Great China University in Shanghai, which will receive $120,000; and the Chao Yang College in Peiping, which will receive $60,000.

It is learnt that a sum of $100,000 will be remitted by the Ministry of Education in two annual instalments to the Chih Hsin School in Canton towards the construction of an auditorium. The Chih-hsin School was founded in memory of the late Chu Chih-hsin, a Revolutionary Martyr.

Chinese Student Enrollment in United States Shows Large Increase

The *Chinese Christian Student* says Chinese student enrollment in American colleges and universities has shown a definite increase for the current academic year. The total enrollment for 1936-1937 is 1,733, as compared with 1,414 for 1935-1936, an increase of 319 students. It is shown that there are four times as many Chinese male students as there are girl students in the United States, or 1,381 men and 352 women. The State of California attracted the largest number of these students; however, Chinese students are enrolled in 262 colleges and universities in almost every state in the Union. The most popular course is engineering, followed closely by business and economics, education, and medical sciences in the order named.

Nanking to Train Students as Military Officers

In an endeavor to strengthen the military forces and the national defence, the National Military Affairs Commission has decided to train students as lower ranks of military officers, the *Shanghai Nippo* of April 29 stated. It is reported that 250 students have been chosen from the colleges and universities in Shanghai and will be sent to Nanking for two months of training. It is further reported the those students will be trained by military experts, all of them graduates of the Whampoa Military Academy.

Babies' Health In Springtime.

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May 5, 1937

Stock Exchange—Business Done:-

Total Volume: 870,000 Shares

1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale May 3	Last Sale May 4
22⅜	9⅝	0.55	Adams Express	17⅜	18
83½	35⅜	1.50	Allis Chalmers	64	64
137½	98½	4.00	American Can	99¾	99¾
40¾	27	0.00	Amer. Cyanamid "B"	31⅛	31⅜
13¾	6⅝	—	American & For. Power	8½	9
68⅞	29¾	—	American & Foreign Pwr. $7. pfd.	53	52½
29½	18¾	0.60	American Radiator	22⅝	22⅛
190⅛	149½	9.00	Americaon Tel. & Tel.	167	169¾
104	80⅜	5.00	American Tobacco "B"	81½	82
29½	18¾	0.60	American Waterworks	20	20⅛
69¼	28	1.00	Anaconda Copper	51⅝	53⅛
88½	59	2.00	Atchison, T. & S. Fe	87⅝	89⅜
54¼	26⅝	—	Auburn	28⅝	29½
40½	15⅞	—	Baltimore & Ohio	33¼	34⅛
105¼	45¾	1.50	Bethlehem Steel	85	87⅛
49¾	16⅞	—	Boeing Airplane Co.	38⅛	38
17⅜	10⅜	—	Canadian Pacific Railway	13¼	13½
186	92½	4.00	Case, J. I.	164	166
100	59	3.00	Chesapeake Corp.	85	84½
77¾	51	2.80	Chesapeake & Ohio	59	59¼
138¾	85¼	12.00	Chrysler	113⅝	115½
23⅜	12½	0.40	Columbia Gas Electric	13⅞	14
24⅝	14¼	0.60	Coml. Sovents	16	16
5½	2¼	—	Commonwealth & Southern, ord.	2⅝	2¾
49⅞	27¼	2.00	Consolinated Edison	37¾	40
17⅝	11½	0.80	Consolidated Oil	16⅛	16⅛
47⅛	28⅛	1.00	Continental Oil	44⅜	44⅝
82½	57½	3.00	Corn Products	58½	58½
82¼	50⅝	—	Douglas Aircraft	55	54⅝
184¾	133	6.10	Du Pont de Nemours	154⅞	155¾
28⅛	15¾	—	Electric Bond & Share	19	19⅛
64⅞	34½	1.00	General Electric	53¾	54⅛
44¼	33⅜	2.00	General Foods	39⅞	40⅜
77	53⅜	4.50	General Motors	57⅞	59¾
65⅛	32½	1.00	General Railway Signal	43¾	46
50½	13⅝	1.00	Gold Dust	44	45
47⅝	21⅝	0.50	Goodyear Tire & Rubber	41⅝	41⅞
87	57	1.00	Humble Oil	78½	79
72⅜	43¼	1.60	International Nickel	60⅛	61¾
19¼	10⅝	—	International Tel. & Tel.	11¼	11¼
69⅜	28¼	1.70	Kennecott	54½	56¼
84⅝	43	2.60	Loew's Inc.	75¼	78
28⅝	21⅛	1.20	Lorillard	21½	22
103	79	1.70	Monsanto Chemical	87½	88⅜
69	35⅜	2.00	Montgomery Ward	54⅝	54½
37⅜	25⅛	2.19	Nat. Bond Investment	27	27½
28¼	21	1.20	National Dairy Prods.	23	23
35	25⅝	2.00	National Distillers	30⅜	31
14⅞	9⅝	0.60	National Power & Lt.	10	10½
55¼	27⅜	—	New York Central	46⅛	47
36¾	23⅞	1.00	North American	24⅝	25¼
41	30	2.00	Pacific Gas & Electric	30½	30⅞
58¾	44	3.00	Pacific Lighting	45½	46¾
13⅞	6⅞	0.45	Packard Motors	9⅞	9⅞
50¾	28⅛	2.00	Pennsylvania Railroad	44	44¼
58⅝	38⅛	2.50	Phillips Petroleum	57⅜	58
52¾	39	2.60	Public Serv. of N. J.	42¼	42½
14¼	8¾	—	Radio Corporation of Amer.	9¼	9½
60½	50	3.00	Reynolds Tobacco "B"	50¾	51¼
55⅞	37¾	3.00	Schenley	43½	43⅞
101½	59⅝	3.00	Sears Roebuck	86⅜	87⅝
20⅛	12⅞	0.70	Socony-Vacuum	19⅛	19⅜
35½	25	1.50	Southern California Edison	25½	25¾
65⅜	23½	—	Southern Pacific	56¾	57½
18⅛	12⅜	0.80	Standard Brands	13⅜	13⅝
14⅜	5⅛	—	Standard Gas & Electric	9	9⅛
76	51⅛	1.00	Standard Oil Co. of N. J.	67¼	68⅜
78½	64½	3.80	Sterling Products	65	64
44⅜	33	2.00	Texas Gulf Sulphur	36¾	37¼
18⅛	11	0.40	Transamerica	15	15⅛
111	71⅝	2.80	Union Caride & Carbon	98⅛	99¾
149¾	108½	6.00	Union Pacific	142	144
35⅛	20⅝	0.50	United Aircraft (New)	26½	26½
24⅜	13	0.20	United Airline Trans.	17½	17⅝
13⅝	4	—	United Corporation	5¼	5½
19½	13⅛	1.00	United Gas Improvement	13⅜	13¾
59	31¼	—	U. S. Indus. Alcohol	36½	36¾
71⅞	16⅝	—	U. S. Rubber	58	60½
126¼	46¾	—	U. S. Steel	101¼	104
39⅜	16¼	—	Vanadium	28¾	29½
18⅜	9¼	—	Warner Bros. Pictures	12⅞	13
167⅝	94½	5.00	Westinghouse Electric	138	140

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